



Daily Report

East Asia

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Wednesday
21 October 1987

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Japan

Government, Business React 'Calmly' to Crash

OW201347 Tokyo KYODO in English 1239 GMT
20 Oct 87

[Text] Tokyo, Oct. 20 KYODO—Both the government and the business community reacted calmly to an unprecedented fall of share prices on the Tokyo Stock Exchange (TSE) Tuesday, seeing no prospect of a repetition of the Great Depression triggered in 1929.

Both Finance Ministry and Bank of Japan officials predicted that the stock market will stage an automatic rebound in due time. They noted that the stock price plunge in major financial centers of the world in no way reflected the economic realities.

The economies of Japan, the United States and other countries are expanding steadily with no signs of any catastrophe, they said.

The Bank of Japan officials pointed out that both the foreign exchange and bond markets remain stable unaffected by the panic psychology that struck the stock markets.

The basic framework of stable exchange rates and economies through multinational policy coordination remains unshaken, they said.

Business leaders were also calm noting that the stock market had become overheated because of an excessive money management boom involving surplus corporate funds.

Noboru Gotoh, president of the Japan Chamber of Commerce and Industry, said the cause was a reaction to the inordinate "money game" boom.

Eiji Suzuki, president of the Japan Federation of Employers' Associations (Nikkeiren), said the overheated market had expected to be shaken back to an appropriate level.

Both Suzuki and Eishiro Saito, chairman of the Federation of Economic Organizations (Keidanren), ruled out any possibility of the stock price crash leading to a repetition of the Great Depression.

Stock markets will restore calmness after a process of adjustment, Saito said.

There is concern, however, that if stock prices continue to slump, it could adversely affect corporate performance.

Many firms have managed to produce profits or reduce deficits through sales of stocks capitalizing on the booming stock market.

But businesses will scarcely be hit by the stock price crash in the immediate future, the Wako Economic Research Institute said.

Money investments by businesses, except institutional investors, are mostly concentrated in time deposits, government bonds and other financial instruments that guarantee the repayment of principal.

Takashi Ishihara, chairman of the Japan Association of Corporate Executives (Keizai Doyukai), said that in order to halt the stock price fall, Japan should take the lead in setting up a system of international cooperation among Japan, the U.S. and West Germany regarding monetary, exchange and capital policies.

Gotoh also said that the most important thing is for the U.S. to earnestly strive to reduce its budget and trade deficits.

Stock Plunge 'Overreaction'

OW210745 Tokyo KYODO in English 0715 GMT
21 Oct 87

[Text] Tokyo, Oct. 21 KYODO—A huge plunge in Japanese stock prices on what dealers call "Black Tuesday" this week was an "overreaction" to a 22 percent decline in New York Stock prices the previous day, Yoshitoki Chino, president of the Securities Dealers' Association of Japan, said Wednesday.

Chino told a press conference that a 1,376.86 yen rebound in the Nikkei stock average during Wednesday's morning session was evidence of the underlying "health" of the Japanese stock market and of renewed investor confidence.

Chino said the record-breaking decline in New York on Monday which triggered huge plunges in both London and Tokyo should be regarded as a "warning signal" highlighting weaknesses in the U.S. economy.

The stock crash in New York constituted a message from equity investors suggesting greater attention be paid to the correction of problems such as the country's large "twin deficits" and trends toward inflation and higher interest rates, he said.

Chino said he believed the "calm" reaction of Japanese investors on Wednesday will help to reduce the feeling of unease which has gripped stock markets around the world.

He also said the comparative stability of the yen-dollar exchange rate is likely to boost the confidence of both Japanese and U.S. investors.

Chino said he was confident in the long-term strength of the Japanese stock market, but the previous day's stunning decline had provided a lesson to those individual and institutional investors who appeared to believe stock prices would continue to rise indefinitely.

"(Tuesday's losses) have taught us that equity investment is accompanied by risk, and that investors must diversify their investments," he said.

Chino said he hoped the Tokyo stock market would make a slow and steady recovery rather than attempt to regain Tuesday's losses instantly.

The market is currently "pitching and rolling" in an attempt to find an appropriate level, he said.

Market Rallies 21 Oct

OW210427 Tokyo KYODO in English 0351 GMT
21 Oct 87

[Text] Tokyo, Oct. 21 KYODO—The Tokyo stock market, which suffered a historical crash on Tuesday, rallied sharply Wednesday morning with the closely watched market barometer marking a record single-session gain.

The 225-issue Nikkei stock average, a record 3,836.48 yen loser Tuesday, recovered 1,376.86 yen, exceeding the record daily gain of 906.42 yen registered last July 24, to 23,286.94 yen by the end of the morning session.

The broader-based Tokyo Stock Exchange (TSE) index of all issues listed in the first section also soared 116.59 points to 1,910.49, compared with Tuesday's record plunge of 307.27 points.

The market opened firm with buy orders centering on large-capital steels and blue-chip stocks amid few sell orders, brokers said.

The Nikkei stock average gained steadily in the morning up 353.09 yen at 9:30 a.m., up 773.77 yen at 10:00 a.m. and up 1,015.18 yen at 10:20 a.m.

Trading was moderate with an estimated 250 million shares changing hands, compared with Tuesday's full-day volume of 485.24 million shares.

The market rebounded on all fronts, welcoming the overnight rally on Wall Street, the rising dollar in Tokyo, firmer bond prices in the U.S. and cuts in prime lending rates by two major American banks, brokers said.

Blue-chip electricals like Toshiba, Hitachi and Sony rallied sharply to recover Tuesday's losses and lead other export-related autos and precision instruments like Nissan Motor and Asahi Optical to higher ground.

Construction and housing stocks like Shimizu Construction and Daiwa House went up, as did financial stocks such as Mitsubishi Trust and Banking and Nomura Securities.

Other notable gainers were steels, nonferrous metals, chemicals and textiles.

The sharp rally Wednesday morning in Tokyo following the rebound on Wall Street signaled an end to the series of stock market plunges this time, one broker said.

However, he said, the pace of the rally would be moderate and the Nikkei average would fluctuate between the 23,000 yen and 25,000 yen level for some time.

Second section prices also rose sharply, with the TSE index for the minor section gaining 55.94 points to 2,544.10.

Morning volume totaled some 8 million shares, against Tuesday's 6.35 million shares.

Tachihi Enterprise rose sharply, while Teraoka Seisakusho fell.

Government Bonds Gain

OW210851 Tokyo KYODO in English 0755 GMT
21 Oct 87

[Text] Tokyo, Oct. 21 KYODO—Japanese Government bond prices gained further ground on the Tokyo bond market Wednesday on buying mainly by bank dealers who believed the Bank of Japan (BOJ) will take steps to stem a hike in interest rates.

On the futures market, the bellwether December contract surged 1.00 yen to close at 99.90 yen for a yield of 6.016 percent, down 0.161 points.

The benchmark No. 89 issue in the spot market rose 0.73 yen to 97.19 yen, with the yield down 0.130 points at 5.580 percent.

The BOJ's buying operations for three-month bills on the short-term money market and three spot issue—No. 73 (6.8 percent coupon rate), No. 80 (6.5 percent) and No. 89 (5.1 percent) issues—encouraged investors, traders said.

A dealer at a trust bank said: "The buying operations indicated the Central Bank is determined to curb a rise in interest rates."

During the morning session, the benchmark December futures contract surged ahead to 100.30 yen, topping a par value of 100 yen at one stage for the first time in a month.

The December contract moved in a narrow range in the afternoon session as some profit-taking occurred.

Meanwhile, U.S. Treasury bond prices moved higher on the Tokyo bond market Wednesday on buying by brokerage house dealers who were encouraged by an overnight upsurge in New York.

The yield on the 8.875 percent 30-year bond, due in August 2017, fell to about 9.43 percent in late trading, down about 0.06 points against an overnight level in New York and off about 0.40 points from Tuesday's close in Tokyo.

MITI Official Leaves for PRC COCOM Talks

*OW190313 Tokyo KYODO in English 0258 GMT
19 Oct 87*

[Text] Tokyo, Oct. 19 KYODO—Noboru Hatakeyama, director general of Trade Administration Bureau at the Ministry of International Trade and Industry (MITI), left for China Monday morning to explain to Chinese officials a government decision to ease the application of COCOM [Coordinating Committee for Multilateral Export Controls] rules on China-bound exports.

Hatakeyama's trip to China was hurriedly arranged after China demanded that some Japanese firms pay penalties for not carrying out deliveries as scheduled under contracts.

The firms include Toshiba Machine Co., which was subjected in May to a one-year ban on trade with communist nations due to its illegal sale of milling machines to the Soviet Union.

During his four-day stay in Beijing, Hatakeyama is to seek an understanding from China about the delayed issuing of export licenses for deals contracted by Japanese firms as a result of tightened scrutiny to prevent a repeat of illegal sales of sensitive products.

It now takes three or four months to process export licenses, according to MITI officials.

MITI has ordered Toshiba Machine to find other companies capable of exporting similar equipment to meet a 2.4 billion yen order it contracted with China before disclosure of the COCOM case.

A senior MITI official who asked not to be named said, "exports of COCOM-proscribed products to China remain banned. But the maximum jail term for Japanese firms which unlawfully sell proscribed products to China will be reduced to three years instead of five years for violators trading with other communist nations."

Export to PRC Eased

*OW201338 Tokyo KYODO in English 1259 GMT
20 Oct 87*

[Text] Tokyo, Oct. 20 KYODO—Japan will soon increase the number of commodities that can be exported to China without obtaining the prior approval

of the Paris-based Coordinating Committee [for Multilateral Export Controls] (COCOM), a multinational body for preventing the export of strategically sensitive goods to communist nations.

The government will formally announce the action next month, Ministry of International Trade and Industry (MITI) officials said Tuesday.

A total of 178 commodities are presently subject to COCOM control. The government, however, can only permit the export of 36 items at its discretion without COCOM approval.

About six to eight items will be added to these exceptional commodities in the case of China, the officials said.

Japan and the United States agreed in their talks here early this month to relax control over exports to China.

Central Bank Welcomes U.S.-FRG Action

*OW210953 Tokyo KYODO in English 0831 GMT
21 Oct 87*

[Text] Tokyo, Oct. 21 KYODO—Satoshi Sumita, governor of the Bank of Japan (BOJ), said Wednesday that the Japanese central bank highly evaluates a meeting between U.S. Treasury Secretary James Baker and senior West German financial officials which reaffirmed the Louvre Accord to coordinate economic policies of major nations.

Baker agreed with West German Finance Minister Gerhard Stoltenberg and Central Bank Governor Karl Otto Poehl in Frankfurt Monday night to continue economic cooperation so as to calm market fears following the collapse of Wall Street stock prices.

The agreement means there will be no rise in West Germany's official discount rate for the time being, and Sumita's remark indicated the Japanese central bank will maintain the present interest rate differentials between the U.S. and Japan, BOJ sources said.

Sumita told a press conference that the Bank of Japan continues to respect the Louvre Accord reached last February in Paris in which Japan agreed to seek economic expansion based on domestic demand without causing inflation.

Sumita said the historical crash Tuesday on the Tokyo stock market stemmed from market fears about future world economic developments. He said he hopes such fears would not harm Japan's moves toward economic expansion based on domestic demand.

Sumita had released a statement Tuesday reaffirming that the Japanese central bank would continue to coordinate economic policies with the major advanced nations to seek stability in foreign exchange rates.

Sumita said Wednesday there is no change in the Bank of Japan's policy to keep close watch on exchange rate movement and put the emphasis on stabilizing price levels to attain economic growth without causing inflation.

The Bank of Japan Wednesday bought 200 billion yen worth of government bonds, a move seen by market participants as increasing liquidity on markets and pushing down short-term interest rates.

Sumita said the buying operation was made to adjust supply and demand on markets and declined to make further comments.

He said the Group of Seven (G-7) nations—the U.S., Japan, West Germany, France, Britain, Italy and Canada—reaffirmed the Louvre agreement in meetings in Washington late last month and there would be no need to add anything to this.

He said he does not think any meeting of G-7 or the Group of Five (G-5) is needed at present.

Nakasone Explains Choice of Takeshita

OW191723 Tokyo KYODO in English 1716 GMT
19 Oct 87

[Text] Tokyo, Oct. 20 KYODO—The following is the gist of Prime Minister Yasuhiro Nakasone's stated reasons for his decision in nominating Noboru Takeshita as his successor:

— The Liberal Democratic Party is to elect a new party leader and new prime minister at a significant time both at home and abroad.

— The candidates continued talks to elect the new leader as a result of efforts made by all party members, particularly Diet members.

— Japan's politicians are required to realize reforms at home and to promote diplomatic policies that will help Japan develop into an international state.

— Japan as a member of the free world and an Asian country must take a middle-of-the-road, stable diplomatic policy to enhance its credit in the international community.

— Japan can increase its international contributions after carrying out economic reforms and redressing its trade imbalance.

— No one can tackle those pending issues effectively without understanding, support and cooperation from the Japanese people and party members.

— The LDP is to strengthen party solidarity and to share responsibilities and roles in the party and cabinet particularly among Diet members in order to produce great results and meet the expectations of the people.

— Taking these and other matters into consideration, I decided to pick Noboru Takeshita as my nominee to be the next president of the LDP.

— I strongly hope the two other candidates (Shintaro Abe and Kiichi Miyazawa) will understand the circumstances and will totally cooperate.

Will Retain Influence

OW200805 Tokyo KYODO in English 0752 GMT
20 Oct 87

[Text] Tokyo, Oct. 20 KYODO—Prime Minister Yasuhiro Nakasone will retain political influence, especially in the foreign policy arena, after his handpicked successor Noboru Takeshita takes office in November, veteran political analyst Prof. Seizaburo sato said Tuesday.

"Prime Minister Nakasone's influence will remain at least for several years to come," particularly when Premier-Designate Takeshita deals with difficult foreign issues, the Tokyo University professor told reporters at the Foreign Correspondents' Club.

Takeshita was nominated by Nakasone early Tuesday morning as the next president of the leading Liberal Democratic Party (LDP), which carries the post of prime minister, after three candidates were unable to decide by consensus who would be Japan's next leader.

Sato said it was "unfortunate" for Takeshita to come into office after a prime minister who was unusually popular both at home and abroad because Takeshita is destined to be compared with his predecessor.

"There is a good possibility that Takeshita will start out being very unpopular and end unpopular," Sato said, adding that while Takeshita's style of consensus-oriented leadership may have been suitable for the 1960's, it is in direct contrast to the individualistic style of Nakasone whose public image as head of government is that of a strong, international leader.

The political pundit who served as Nakasone's adviser said the length of Takeshita's term depends mainly on two factors — the election turnout in upper house elections scheduled for June 1989, and Takeshita's popularity.

"If popularity remains low and the election turnout is unfavorable to the LDP, that means the end of his term will be in two years," Sato said.

Nakasone, as a popular leader of a major faction which presently has no aspirants for premiership, has the ingredients necessary for becoming a kingmaker, Sato said.

Report Stresses Takeshita's Factional Support

OW191906 Tokyo KYODO in English 1844 GMT
19 Oct 87

[By Shiro Yoneyama]

[Text] Tokyo, Oct. 20 KYODO—As in baseball, numbers often dictate the course of Japanese politics.

Noboru Takeshita's victory early Tuesday in the competition to succeed Prime Minister Yasuhiro Nakasone showed that when it mattered most, his factional support in the ruling Liberal Democratic Party outweighed all other considerations.

Japanese politicians describe it as "number theory" or a balance of power based on the strength of factions.

Nakasone handpicked Takeshita, LDP secretary general, to be his successor as party president and prime minister.

The outgoing premier became an instant kingmaker after Takeshita. Finance Minister Kiichi Miyazawa and Shintaro Abe, chairman of the LDP executive council, turned to him after failing to reach a consensus over which of them should become Japan's next prime minister.

Even before the three candidates filed their candidacies October 8, Takeshita had emerged as the front-runner because of his overwhelming factional strength of 114 lawmakers in both houses of the Diet, compared to Miyazawa's 89 and Abe's 86.

After initial reluctance, the LDP secretary general agreed to arbitration with his two rivals, who staked their slim chances of becoming Japan's top leader on bilateral and multilateral talks and finally Nakasone's discretion.

But as the dust settled, LDP sources and political analysts were saying that a series of talks with Abe and Miyazawa in the last 10 days were calculated moves by Takeshita, who patiently waited for his rivals to run out of steam.

Miyazawa, inexperienced in party politics, entered the contest with surprisingly strong determination, clearly regarding it as his first and probably last challenge for the party's top job.

Abe, despite his reputation as a political thoroughbred, seemed naive in the way he apparently underestimated the strength of Takeshita's position.

Abe allied with the Takeshita faction and another faction led by former State Minister Toshio Komoto, securing 231 members, eight votes more than a majority in the 445-member LDP hierarchy.

But in the course of numerous tete-a-tetes with Takeshita, LDP sources said, the former foreign minister found his longtime friend increasingly stubborn in his insistence to take the top job.

In the end, the LDP's historic experiment to elect new LDP president "trouble-free," as Abe put it, worked to the advantage of Takeshita, who can speak the language of "numbers and money."

Abe settled for the deserved post of LDP secretary general, the party's No. 2 post which is the gateway to the party presidency and the premiership in the future.

Miyazawa, the only one of the three who speaks fluent English, failed to find a way through the maze of power politics in Japan, a unique phenomenon by Western standards. He wished Takeshita good luck with his eyes filled with tears.

80 Stage Sit-in Against Nakasone Monument

OW190837 Tokyo KYODO in English 0711 GMT
19 Oct 87

[Text] Hiroshima, Oct. 19 KYODO—Some 80 people began a sit-in protest Monday at a riverbank near the Hiroshima peace memorial park against construction of a monument inscribed with a haiku, a Japanese seventeen-syllable poem, by Prime Minister Yasuhiro Nakasone.

Members of 12 peace groups, including the local branch of the Japan Congress Against Atomic and Hydrogen Bombs, claimed Nakasone is promoting arms expansion and has nothing to do with peace.

Nakasone composed the haiku in August 1983 when he attended the peace memorial ceremony marking the atomic bombing of Hiroshima.

The local Lions Club started foundation work on the monument at the riverbank last Friday with the approval of the municipal government amid the protests of union and peace organizations.

North Korea

Japanese Boat Released; Crew Admits Errors

SK210601 Pyongyang KCNA in English 0532 GMT
21 Oct 87

[Text] Pyongyang October 21 (KCNA)—Crewmen of the Japanese fishing boat *Kaisei Maru No. 56* which was apprehended while fishing after illegally intruding into the economic waters of the Democratic People's Republic of Korea, were sent home.

A naval patrol boat of the Korean People's Army which was on a routine duty on September 11 apprehended the boat which was poaching on the sea north latitude 39 degrees 23 minutes and east longitude 130 degrees 07 minutes, the economic waters of the DPRK.

According to an investigation by the competent organ, this was confirmed to be a fishing boat belonging to the Sakunoe Fisheries Production Cooperative in Shimane Prefecture, Japan.

The crewmen of the boat confessed that they illegally infiltrated into the economic waters of the DPRK for fishing. In particular, Takeyoshi Matsumoto, chief fisherman, confessed that they infiltrated up to the sea off the DPRK on several occasions for espionage purpose, with a mission entrusted by the relevant authorities of Japan.

The crewmen admitted that they deserved a legal punishment by the DPRK for their grave criminal acts.

The competent organ of the DPRK sent home the boat and its crewmen at 10:00 October 21, taking into deep consideration the fact that the Japanese crewmen admitted of their wrong-doing with an apology and requested it to leniently pardon them.

The Japanese side should ensure that Japanese fishing boats do not illegally intrude into the economic waters of the DPRK for fishing, violating the Korea-Japan civilian fisheries agreement, and take appropriate measures to prevent the recurrence of such behavior as encouraging them to commit criminal acts hostile to the DPRK.

Daily Sees Japan as U.S. 'Accomplice'

SK211018 Pyongyang KCNA in English 1003 GMT
21 Oct 87

["Accomplice in Inciting Puppets to Northward Invasion"—KCNA headline]

[Text] Pyongyang October 21 (KCNA)—*Nodong Sinmun today declares in a signed article that the wire-puller who incites the South Korean puppets to the provocation of war of aggression on the North is the Japanese reactionaries as well as the U.S. imperialists.*

The article says:

The Japanese reactionaries are expanding their military assistance to the puppets in a bid to increase the war potentials of South Korea.

Japan is offering extensive "security loan", first of all, to the South Korean puppets.

The "security loan" worth 4,000 million dollars granted by the Nakasone reactionary government stirred up the war frenzy of the South Korean puppets and keyed up the tension on the Korean peninsula.

The Japanese reactionaries are also directing their great efforts to the development of South Korean war industry.

After the signing of the "basic treaty" between South Korea and Japan, Japanese monopoly capitalists have provided technology and loan to the war industry of South Korea and infiltrated there in the form of joint venture and investment to lay the foundation of arms production in South Korea. Today the military monopolies of Japan have transferred to the South Korean puppets even the up-to-date techniques applicable to the development of new-type weapons in violation of the principle of banning the export of weapons, which is the state policy of Japan.

The Japanese reactionaries are also strengthening the system of military collaboration for joint military action with the South Korean puppets.

For joint operations, Japan and South Korea have not only standardized the commanding system of communications and transport system but also unified arms sizes, the standard time and signal system.

Japan and South Korea are, in fact, linked by one military system with U.S. imperialism as its axis.

The U.S. imperialists are trying to use the militarist forces of Japan as a shock brigade in attacking the DPRK and other socialist countries with South Korea as a springboard. Japan, availing itself of this strategy of U.S. imperialism, is going to stage a comeback to Asia.

It is the invariable ambition of the Japanese reactionaries to retake their old position of a colonial dominator in South Korea by force of arms. That is why they are increasing military aid to South Korea.

Historically, the Japanese aggressors have taken the Korean peninsula as the first target of their overseas expansion. They have included the Korean peninsula in their operation area and actually consider South Korea to be part of the Japanese territory.

They are getting over-heated in framing up the triangular military alliance along with the U.S. imperialists, eventually to draw the armed forces of Japan into the Korean front.

"Japan study of U.S.-Japan joint operations in an emergency" planned by the Japanese Government is also to prepare for another war in Korea.

The Japanese reactionaries are the dangerous aggressive forces which obstruct the democratization of South Korea and incite the puppets to a fratricidal war.

Kim Il-song Receives New PRC Ambassador
SK211054 Pyongyang KCNA in English 1042 GMT
21 Oct 87

[Text] Pyongyang October 21 (KCNA)—The great leader President Kim Il-song received credentials today from Yun Yezhan, new ambassador extraordinary and plenipotentiary of China to Korea.

Present at the credentials ceremony were first Vice-Minister of Foreign Affairs Kang Sok-chu and officials of the Chinese Embassy here.

President Kim Il-song had a talk with the ambassador after receiving the credentials.

Kim Il-song Receives Guinean Delegation
SK211056 Pyongyang KCNA in English 1044 GMT
21 Oct 87

[Text] Pyongyang October 21 (KCNA) — The great leader President Kim Il-song today received the delegation of the Kim Il-song Institute of Agricultural Science in Guinea headed by its Director Alpha Toure now on a visit to our country.

Present there were So Kwan-hi, secretary of the Central Committee of the Workers' Party of Korea, and Yi Yong-kyun, president of the Academy of Agricultural Sciences.

President Kim Il-song had conversation with the guests in a cordial and friendly atmosphere.

The guests presented him with a silk banner and gift.

Soldiers Mark USSR October Revolution
SK210521 Pyongyang KCNA in English 0500 GMT
21 Oct 87

[Text] Pyongyang October 21 (KCNA) — A soldiers' meeting was held on October 20 at the unit of the Korean People's Army to which Comrade O Ki-su belongs to mark the 70th anniversary of the Great October Socialist Revolution.

Attending the meeting were Charge d'Affaires ad Interim of the Soviet Embassy here Boris Morozov and officials of the embassy.

Speeches were exchanged there.

Signed Commentary Denounces Chon's Remarks
SK210625 Pyongyang KCNA in English 0514 GMT
21 Oct 87

[Text] Pyongyang October 21 (KCNA) — *Nodong Sinmun* in a signed commentary today notes that the traitor Chon Tu-hwan is loudly advertising about "achievements" made since his seizure of power. This is nothing

but a petty trick aimed at creating a favorable climate for the "Democratic Justice Party" in the forthcoming "election campaign," says the commentary.

Referring to the fact that the traitor Chon Tu-hwan made a display of his ridiculous eloquence in different parts of South Korea with a voluble talk about "miracles" and features of a "politician," it goes on:

It is the height of folly to call Chon Tu-hwan the puppet a politician.

It is widely known to the whole world that he is a thorough-faced military hooligan, a human-butcher who ruthlessly massacred thousands of fellow countrymen in Kwangju, and a "power" robber who took office at the point of the bayonet.

There is no need to enumerate in detail what it is that he has brought to South Korea over the past seven years.

Only too obvious is it from the fact that the "three liberations," the "commitment" the dictator made in the first period of his tenure, that is, "liberation" of the people from political suppression, poverty and war, remains an empty talk.

The South Korean people are calling for the resignation of the present dictatorial "regime" and crying "down with Chon Tu-hwan" almost every day. How come this happened if the traitor Chon Tu-hwan shaped politics for the people, the commentary asks, and lays:

The traitor Chon Tu-hwan is getting overheated with an advertisement about his "achievements" with the definite aim of whitewashing the "DJP regime" and thus making the traitor No Tae-u win in the "presidential elections" and prolonging the military dictatorship.

Chon Tu-hwan the puppet should stop talking nonsense flouting the people and step down.

Party Daily Condemns Patronage of Murderers
SK211027 Pyongyang KCNA in English 0959 GMT
21 Oct 87

[Text] Pyongyang October 21 (KCNA) — *Minju Choson* today condemns the South Korean puppet Seoul High Court for having staged on October 19 a final hearing on an appeal on the torture-death of hot-blooded patriotic student Pak Chong-chol to drastically mitigate the penalties which were formally imposed upon the murderers at the first trial. Denouncing this as an open patronage to the murderers, the paper says in a signed commentary:

The puppets' act is an intolerable mockery of and challenge to the fair public opinion which demands heavy penalties upon the brutal murderers of student Pak Chong-chol and the removal of the murderous torture "government".

It is double crimes to have murdered the hot-blooded youth and patronized the murderers while suppressing the just struggle of the students for putting an end to brutal torture.

It is too clear that although the puppets, afraid of public opinion, applied extremely formal penalties to the murderers, they would set them free on the plea of "amnesty" or "bail" after keeping them for a while at wonderful jail.

The criminals who murdered sound people by torture are under patronage and the criminal who committed thrice-cursed sexual torture rose to a director. This is the present reality of South Korea, which eloquently tells what is meant by "democratization" on the lips of the traitor No Tae-u and what is a "democratic society" announced by him as "commitments".

'Special Article' Praises Rural Theses

SK210154 *Pyongyang Domestic Service in Korean*
2124 GMT 17 Oct 87

[NODONG SINMUN 18 October special article: "The Rural Theses Is a Great Program To Solve the Socialist Rural Problems"]

[Excerpts] Today the question of socialist rural construction is being successfully resolved in our country. This is a clear indication of the justness and vitality of the rural theses.

The great leader Comrade Kim Il-song has recently stressed accomplishing tasks put forward in the rural theses over a short period of time by directing strength to socialist rural construction. We should actively struggle to accomplish the sacred historic tasks by upholding the intentions of the party and the leader. [passage omitted]

Based on the newly elucidated essential contents of the rural question under socialism, the rural theses have raised the issue of turning cooperative ownership into all-people ownership as one of the cardinal tasks to ultimately solve rural problems.

The rural question under socialism is to eliminate the difference between cities and farms and the class differences between the working class and the peasants. To solve this question, the unitary control of all-people ownership should be established by turning cooperative ownership into all-people ownership, because ownership over the production means is the basic factor that defines the classes. [passage omitted]

That cooperative ownership can exist in socialist society together with the all-people ownership is related to the fact that the standard of ideology and consciousness of the peasants is lower than that of the working class and that the material and technological foundation of agriculture is weaker than that of industry.

Thus, the rural theses put forward the issues of eliminating ideological, technological, and cultural backwardness on farms by carrying out the three revolutions and of turning cooperative ownership into all-people ownership as the cardinal task. [passage omitted]

Turning cooperative ownership into all-people ownership is an inevitable demand for social development that proceeds from the essential characteristics of socialist society based on collectivism. Socialist society is formed based on collectivism and everything in society develops in such a way as to strengthen collectivism. This is the inevitable course.

Therefore, socialist society demands that all social relations including the ownership of the means of production be constantly developed in conformity with the common interest of the entire society. In socialist society, cooperative ownership is socialist ownership, just as all-people ownership. However, cooperative ownership is a form of ownership that is one step behind all-people ownership and accordingly, the standard of its socialization is comparatively low. As a result, cooperative ownership cannot smoothly realize the collectivist demand that the people should share their destiny while helping and leading one another in the interests of society and groups and cannot but have certain restrictions in demonstrating the superiority of the socialist system based on collectivism. Thus, cooperative ownership, a lower form of socialist ownership, should be gradually turned into all-people ownership, the standard of socialization of which is high according to the collectivist demand and based on the conditions created.

The idea of the rural theses to resolve the question of ownership reflects the essential superiority and characteristics of the socialist system based on collectivism. The essential superiority of the socialist system is to ensure social conditions so that all the people live and develop themselves according to their independent and creative nature. [passage omitted]

The idea of the theses to strengthen the working class's guidance and assistance to peasants is a most revolutionary struggle program that has elucidated the path to successfully resolve the socialist rural question by strengthening the leadership of the working class.

As elucidated by the respected and beloved leader, solving the socialist rural problem of making peasants the working class is a new form of class struggle in a socialist society. The course of making peasants the working class is a process of revolutionary reforms to remove the legacies of the old society from the rural community and a course of struggle in which socialism, a new thing, defeats capitalism, an old thing, and wins victory. This course of revolutionary reforms cannot but be a process of class struggle.

Historical experience shows that when the leadership of the working class in socialist rural construction is weakened and its class stance is not firmly defended, the agricultural cooperative economic system cannot be consolidated and developed and in addition, it will be in jeopardy.

Because it raises the leadership of the working class toward peasants and its assistance to them as an important question, the rural theses serve as a mighty and powerful weapon for successfully solving the socialist rural problem.

In terms of management method, the rural theses are also a scientific fighting program correctly reflecting the intrinsic demands of the socialist system.

Comrade Kim Chong-il, member of the Political Bureau Presidium and secretary of the party Central Committee, has noted: Only when we advance along the road indicated by the socialist rural theses elucidated by our party can we give play to the superiority of the socialist rural economic system as fully as we can. Because the cooperative economy is a socialist economic form based on the collective ownership of production means, a management method based on the principle of collectivism is the very one that complies with the cooperative economy.

The superiority of the socialist rural economic system is that of collectivism. To give full play to the superiority of the socialist rural economic system, the rural economy should be managed in a collective manner.

As clarified by dear Comrade Kim Chong-il, a normal method for managing the socialist system is thoroughly a collective method. The rural theses see to it that the central task of ultimately solving the rural problem can be carried out and the question of guidance and assistance to the rural community, a management method, and a guidance system can be resolved thoroughly on the basis of collectivism.

The rural theses do not leave the matter of the cooperative economy to take its own course, asserting that since cooperative ownership is collective ownership, a collective concerned should take entire responsibility for the cooperative economy and resolve all problems with its own strength, but ensure that the working class take responsibility for the rural community and guide and assist it with the spirit of comradely unity and cooperation. As a result, this enabled peasants to rapidly rise to the level of the working class in every field of the ideological, technological, and cultural revolutions. Moreover, the superiority of a large-scale socialist collective economy has been able to be fully displayed as a result of applying the principle of collectivism to the cooperative economic management in compliance with a socialist economic form based on the collective ownership of production means. [passage omitted]

South Korea

Minister on Policies, Less U.S. Dependence

SK210311 Seoul YONHAP in English 0145 GMT
21 Oct 87

[Text] Seoul, Oct. 21 (YONHAP)—South Korean Trade and Industry Minister Na Ung-pae said Tuesday that Korea needs to push ahead with new trade policies, including reduced dependency on the United States.

Na said that the national economy, which was hit by nationwide labor disputes in July and August, has fully recovered and a solid base for a surplus in international payments has been established.

Na said that South Korea's trade should be further diversified by reducing its heavy dependency on trade with the United States.

He said that promoting plant exports to southeast and southwest Asian countries on a deferred payment basis and advancement into South American countries should be thoroughly studied.

So far this year, South Korea's exports have totaled 34.7 billion U.S. dollars as of last Friday, exceeding last year's export total valued at 34.71 billion dollars.

Na said the country's exports will surpass 40 billion dollars by Nov. 30, a day designated as 'Export Day.'

He said his ministry will also work out ways to increase investments by Korean businesses in the United States.

Chon Tells Police To Ensure Order, Stability

SK210252 Seoul YONHAP in English 0225 GMT
21 Oct 87

[Text] Seoul, Oct. 21 (YONHAP)—President Chon Tu-hwan Wednesday called on the national police to deal in a resolute manner with any schemes designed to sabotage the smooth implementation of the political agenda, including the Oct. 27 national referendum, and the successful staging of the 1988 Seoul Olympics.

Chon said that every policeman should carry out the pivotal role of ensuring law and order and maintaining social stability under any circumstance.

In an address commemorating the 42nd Police Day, Chon said the responsibility of the police to maintain peace and stability for the people's livelihood is growing with the rapid development and urbanization of the society.

He pointed out that there are some impure leftist elements in society who deny the historical orthodoxy of the Korean nation with absurd theories and who try to destroy the liberal democratic system.

Chon said that a significant turning point in the development of democracy in Korea will be reached when the constitutional revision is finalized in next week's national referendum, when the presidential election is held, and when he steps down from office upon the completion of his single presidential term next February.

We have to spur on our progress in order to reach the hopeful goal which is close at hand, Chon said.

Kims To Hold 'Final Negotiations' 22 October
SK21000 Seoul YONHAP in English 0951 GMT
21 Oct 87

[Text] Seoul, Oct. 21 (YONHAP) — Amid slim prospects for an agreement on a single opposition candidate for the upcoming presidential election, opposition leaders Kim Yong-sam and Kim Tae-chung stand poised to push ahead with massive rallies in provincial cities.

The two Kims are also scheduled to hold final negotiations Thursday to settle the candidacy issue in line with strong demands made Tuesday by lawmakers of the main opposition Reunification Democratic Party (RDP).

However, the negotiations between RDP President Kim Yong-sam and RDP permanent adviser Kim Tae-chung are expected to break down as both insist they should be the party's single candidate, and both claim enthusiastic support for their candidacies.

Thursday's meeting will very likely lead to a split between the two Kims.

Kim Yong-sam officially announced his candidacy early this month for the presidential election expected to be held in December this year. Kim Yong-sam has demanded that Kim Tae-chung concede his bid for the RDP candidacy, citing the recent turnout of nearly one million people for a rally last Saturday in the southern port city of Pusan.

Kim Yong-sam told reporters that his Pusan rally showed clearly who the RDP presidential candidate should be.

Only the achievement of a single candidacy between us will ensure victory in the presidential election. Needless to say, at this juncture it is clear who the candidate should be, Kim Yong-sam added.

Kim Tae-chung is also determined to run for president. One of Kim's aides said that the RDP permanent adviser is expected to declare his split with Kim Yong-sam after the scheduled meeting.

Kim Yong-sam has scheduled a massive rally in Taejon, 140 kilometers south of Seoul, while Kim Tae-chung has also planned one in Chongju, 105 kilometers south of Seoul. Both rallies are slated for Saturday.

The two Kims are also scheduled to take part in a rally at the Korea University campus in Seoul in an effort to win student support.

Kim Yong-sam's followers are also pushing ahead with a national convention, tentatively scheduled for Nov. 5, to nominate the main opposition party's presidential candidate.

Meanwhile, Kim Tae-chung is expected to officially announce his candidacy around the end of this month and to shape his candidacy as a pan-national unity candidate.

To Discuss Single Candidacy
SK210053 Seoul THE KOREA TIMES in English
21 Oct 87 p 1

[Text] Kim Yong-sam and Kim Tae-chung agreed yesterday to hold an exclusive meeting tomorrow at the Diplomatic Club to discuss the single candidacy issues again.

The agreement was reached at the main opposition Reunification Democratic Party's caucus at the National Assembly. The two Kims attended the meeting.

The opposition leaders decided to meet again under pressure from RDP lawmakers who urged them to field a single candidate for the December presidential election.

But no one is sure whether the Thursday meeting between the two presidential hopefuls will produce any dramatic agreement on fielding either of them as the sole candidate.

RDP lawmakers decided to hold another caucus Thursday after the two Kims' meeting.

Lawmakers of the major opposition party strongly urged Kim Yong-sam and Kim Tae-chung to choose a sole candidate through whatever means including a vote showdown at a national convention.

But the two made it clear that each has no other choice but to run for president. Both Kims agreed on the need to field one single candidate from the opposition but neither showed the slightest inclination of dropping out of the presidential race.

Kim Yong-sam hinted that Kim Tae-chung's withdrawal will assure a landslide victory for the opposition.

Kim Tae-chung also reconfirmed that he will run for president but said he does not oppose Kim Yong-sam's joining the presidential race.

In a hectic and emotional three-and-a-half hour debate, Rep. Song Chon-yong even pleaded in tears that both Kims must agree on fielding one candidate.

Rep. Chang Ki-uk said, "It is better for the two Kims to choose a candidate through "lottery" if they cannot reach an agreement."

Rep. Cho Chong-ik recommended that the two Kims go to a remote mountain camp to settle the candidacy issue.

He urged the two Kims not to leave the camp until they agree on a single candidacy.

Rep. Sim Wan-ku said it is naive for either of the two Kims to think that he will win the election even if both run for president.

He said lingering regional rivalry will explode if both Kims seek presidency.

Rep. Kim Song-sik said both Kims must withdraw from the presidential race if they could not hammer out an agreement on the single candidacy.

He added that Kim Yong-sam cannot win the election without support from Kim Tae-chung and vice versa.

He continued that the two Kims must stop all election campaigns until they reach an agreement on the candidacy.

"The people's feeling toward the two Kims is shifting to hatred from love and respect as they both seek to run," Rep. Cho Chong-ik said. "The failure to field one candidate will surely prolong the military dictatorship."

Solons Urge Two Kims To Decide

SK210143 Seoul THE KOREA HERALD in English
21 Oct 87 p 2

[By staff reporter Yi Song-yol under the rubric "News Analysis": "2 Kims Remain Firm on Dual Candidacy at Risk of RDP Split; 'Virtually Too Late for Either of Them To Concede to the Other'"]

[Text] The likelihood that the Reunification Democratic Party will split was heightened yesterday when party leaders Kim Yong-sam and Kim Tae-chung said they will not concede the opposition's presidential candidacy.

At a caucus attended by the two Kims, RDP lawmakers were in unison in voicing the need to field a single opposition candidate. But the two comrades-turned-rivals made clear they will not and cannot withdraw their candidacies, each citing considerable popular support.

Out of a concern that the opposition may lose the December presidential election if both Kims run, many of the RDP lawmakers urged the two opposition leaders to quickly agree that only one of them will compete in the presidential race.

If the two Kims cannot reach an agreement through negotiations between themselves, the lawmakers proposed a vote showdown at the coming party national convention slated for Nov. 5.

The two Kims promised they will meet again tomorrow to discuss the candidacy, but few RDP lawmakers were optimistic their leaders will reach an accord on the issue.

Some RDP sources said they now took it for granted that both Kims will run in the election.

If neither of the two Kims is willing to concede the candidacy, there's no other way than for both of them to run for the presidency, the sources said.

RDP president Kim Yong-sam, taking pride in the million people at his rally in Pusan Saturday, maintained that "the decision on the opposition candidate is already made."

If he succeeds in holding a similar mass rally in Taejon Saturday, Kim plans to seek the nomination at a national convention.

But Kim Tae-chung is considering deserting the RDP to form his own party to be a candidate.

He said at the caucus that both Kims enjoy considerable popular support, and so it is now virtually "too late for one of the two Kims to withdraw from the candidacy" in a glorious manner.

Both Kims' aides said their camps are sure they will win the election even if the four—No Tae-u, the two Kims and Kim Chong-pil—run in the race. But many RDP lawmakers regard both Kims running as a deadly risk because the lawmakers themselves would suffer considerable damage in case No of the ruling Democratic Justice Party defeats the two Kims.

It was a rare scene when the RDP lawmakers, who have obeyed the two Kims so faithfully, so vigorously urged them not to do something.

Some lawmakers of the Kim Tae-chung faction seemed to be concerned about what to do if Kim leaves the RDP to form a new party.

The situation would be quite different from the one in which both the two factions' lawmakers bolted from the then major opposition New Korea Democratic Party in April.

Many of Kim Yong-sam's followers hope that their boss will be the only opposition candidate. But if Kim Tae-chung joins the race, it would encroach upon what would otherwise be their boss' votes and actually reduce the opposition's chance of winning the presidential election.

"We don't want Kim Yong-sam to defeat Kim Tae-chung, but only No in order to end military rule," said some Kim Yong-sam supporters.

Their simultaneous running would also aggravate provincialism, some RDP lawmakers were worried.

But as it has become almost certain that both Kims will run for the presidency, division of the opposition seems inevitable, unless there comes a dramatic change of situation very soon.

Excerpts of Lawmakers' Remarks

SK210205 Seoul THE KOREA HERALD in English
21 Oct 87 pp 2, 5

["Excerpts" of remarks by participants in a meeting of RDP lawmakers at the National Assembly on 20 October]

[Text] Kim Hyon-kyu (floor leader): After shedding an enormous amount of blood, tears and sweat, we are finally at the threshold of realizing democratization.

At this critical moment, however, we are behaving like a soccer team which has a very good chance in front of the opponent's goal but fails to score. The team, which is our party, might lose the game.

Let me ask all of you to conduct as serious a discussion today as in a meeting of cardinals to select the Pope, so that we can be applauded by the people.

We should all recognize the fact that the people have become indignant at the news that both Kims might run for president without party nomination.

The rivalry between the two Kims will surely bring about divisions in national opinions. When united, we can display enormous might. When divided, we will become powerless.

As leaders who can lead the nation in harmony, the two Kims are more respected by the people than the President.

I want to ask them to realize that if they do not discard their greed for power, both will be rejected by the people.

This is the meeting where party lawmakers speak for the people. I hope the two Kims stay with us till the end of this meeting.

Kim Yong-sam (RDP president): We are now at the critical juncture of having to bring military rule to an end and establish a civilian government.

On numerous occasions, Kim Tae-chung and I have said the party should produce a single presidential candidate. We also promised to cooperate until after realizing democratization.

We also promised to the people that the candidacy issue would be settled not through a showdown of votes but through consultation between us.

I feel extremely sorry to the people for failing to meet the pledges. I have but myself to blame.

I know clearly what the people and the party members want. I hope I will have a chance to meet again with adviser Kim to discuss the candidacy issue.

There are less than 60 days left before the presidential election. So, I gave instructions yesterday that the party hold a nomination convention Nov. 5.

A majority of the people definitely do not want two candidates from our party.

Let me express thanks to God for helping us to successfully hold a public rally in Pusan Saturday.

Heaven helped us, and we created a political myth and a new history. The scene was beyond description. It was the largest political rally ever held in the world.

It was a moment of creating history, and making the ruling Democratic Justice Party realize what real politics is.

With confidence, I will endeavor to put an end to the military dictatorship. I will also continue to cooperate with adviser Kim so that you will be free of any worries.

I will speak again, if necessary, after hearing the views of the lawmakers.

Kim Tae-chung (RDP adviser): I felt more comfortable when I was in prison. Then I thought I would fight with the support and compassion of the people.

But now some people criticize me. It is painful for me. However, I do not morbidly wish to become president. Nor did I fight for the presidency.

It makes me sad if I am regarded as being mad blind by my desire for power.

When I joined the party, I was confident we would be able to field a single candidate. I thought the two of us would reach an accord, which I believed would be approved by public opinion.

I sincerely congratulate (party President Kim Yong-sam) on the success of the Pusan rally. Such an outpour of support deprives a politician of much of his freedom in action.

But we should have elaborated policies before the nation so that it could select a presidential candidate from us. If we had toured the nation in August and September, the people would have decided on a candidate.

But this proposal of mine was not accepted. I was surprised when I visited Kwangju. I received popular support no less overwhelming than the support party president Kim received in Pusan.

This support does not permit me to have much freedom in action, either.

The party's response to Gen. Pak Hui-to's remarks against me was shocking.

It was also shocking to hear some people say that I was not qualified to run for president because of the military (vetoing me).

We have the best chance to terminate military intervention in politics.

Can you say it was senseless or shameful when I proposed both of us run for president as independents?

After thinking over the best way to prevent the party from being split up and forestall unhappiness, I made such remarks.

We cannot allow a candidate of the military government under any circumstances to be elected president. And I am considering what is the best way to do so.

But we do not have much time. Neither party president Kim nor I can give up with ease. I am worried about it.

Rep. Kim Chong-kil: The candidate should be chosen through a vote after the organization of 36 local party chapters on an equal basis between the two factions. Otherwise, the candidacy issue should be resolved through compromise between the two Kims.

Rep. Cho Sun-hyong: If the two Kims are unable to resolve the candidacy issue by agreement, other party members and the people should be allowed to select the candidate.

Factional activities, except for activities regarding the resolving of the candidacy issue, should be discontinued. The two Kims are required to meet at an early date to resolve the issue.

Rep. Kang Sam-chae: I have decided to leave Kim Yong-sam's faction in a belief that this is a way to serve the party and the nation. What have senior party officials done?

I think that 30 percent of the total eligible voters favor the ruling party. The ruling camp are making desperate efforts. If both Kims run for president, people will throw stones at them.

Rep. Pan Hyong-sik: It would take at least 10 years for the nation to restore democracy. If the two Kims reach an agreement, the RDP would take power for 10 years.

In other words, each Kim would take power for five years. We should study ways to create a climate in which the party's candidate can win the presidential race.

Rep. Cho Chong-ik: The two Kims are mistaken when they think all of our 40 million people support each of them judging only from some support shown on their recent trips to local cities.

As the two leaders are competing against each other (for the candidacy), the prospects for ending military rule are dimmer. The two leaders are recommended to, say, go to a remote villa and talk frankly on the candidacy. If the talks fail, then the two may have to even draw lots.

Rep. Song Chon-young: Behind the illusion waits the agony of defeat. The promise the leaders made should be kept by all means. It is a great mistake to assume that one of the two Kims could win the election even if both run in the race.

Let us devote ourselves to fielding one of them (as the opposition candidate). If we fail, we, the party and the nation will perish.

Rep. Pak Yong-man: The people are anxious for a single opposition candidate, because, even if one of the two leaders is elected president in competition with the other, he would have much difficulty in implementing democracy.

The two must achieve a single candidate by all means. They should meet again immediately to discuss the issue.

Daily Carries Interview With Kim Yong-sam
SK201107 Seoul TONG-A ILBO in Korean
19 Oct 87 p 3

[Interview with Kim Yong-sam, president of the RDP, by Yi Sang-ha, director of the political department of TONG-A ILBO; Yi Hyon-ku, director of the economic department; Chong Ku-chong, director of the social department; and O Kyong-taek, director of the cultural department—date and place not given]

[Excerpts] [*Tong-a Ilbo*] Your catch-phrase is to end the military rule. When this has taken place, what is the first thing you are going to do?

[Kim Yong-sam] I will put everything back in its original place. To get rid of the aftermath of the military rule and allow civil politics to take its place, all systems that have been used as a means to maintain power by the autocratic regime must be made democratic. Not to mention the freedom of the press and the three labor rights, all those who have been detained without due cause must be immediately released and reinstated. At the same time, all those former public government employees, workers, and students, who have been dismissed and expelled, even though they are innocent, must be reinstated.

[Tong-a Ilbo] The term you have most frequently used over the course of the democratization struggle is, we believe, democratization. What do you think is the aim of democratic politics?

[Kim] The realization of moral politics, through which human dignity is achieved, and clean and honest government are the aims of the politics I pursue. I will get rid of all suppression and corruption that has resulted from the autocratic military culture of 27 years and open an era in which the great happiness of the absolute majority is sought, instead of the unlimited happiness of the small minority.

[Tong-a Ilbo] Our orthodox opposition party has remained as a permanent opposition party for 40 years. Thus, many citizens are doubtful about its capability of taking power.

[Kim] We have never seized power. However, ours is a political party that has taken root among the people for 40 years. In addition, while being engaged in politics, we have witnessed the wrongs committed by absolute power, and the falls of the autocratic regimes. I have served as the president of an opposition party three times, as the floor leader of an opposition party five times, and as spokesman twice. I believe all this is as valuable as experience gained in the operation of government. When Mr Pak Chong-hui seized power as an army major general, he had neither experience nor expertise in politics. When we seize power, we will establish a professional government employee system and many able new faces will come to us. Above all, the legitimacy of the regime established directly by the people itself will change many things.

[Tong-a Ilbo] Many people believe that the existing social order may be greatly disturbed and that drastic changes may take place in the society of government employees and in all other areas.

[Kim] My revolution via election is to seek reform through stability. Revolution for the sake of revolution cannot be acceptable. As for public servants, all should be allowed to remain where they are, only with the exception of political posts such as ministers and vice ministers. The incompetent and corrupt must be replaced. Basically, however, gradual reform must be sought through stability. I will seek no revolutionary reform. [passage omitted]

[Tong-a Ilbo] What do you think about the recent debates on anti-Americanism and anti-foreign forces among some circles on campuses, as well as in movement circles?

[Kim] As for debates on anti-foreign forces, there is some aspect we are concerned about. However, I believe that this is also something linked with the self-reliance of the nation and its self-respect. In other words, I believe that this is because they think the United States and our other

allies have supported the autocratic regime in Korea and have caused our economic loss through their economic pressure for our market. In particular, anti-U.S. and anti-foreign sentiment has been strengthened because the autocratic military regime has continued to give economic concessions in return for the political support it has earned from foreign countries. When the new democratic government is established, there will be no economic concessions designed to remain in power. Instead of diplomacy to stay in power, economic diplomacy will be sought in the interest of the country. [passage omitted]

[Tong-a Ilbo] You have said that you are the right person to dissipate provincialism. Do you have any specific way to do that? No one in your Sangdo-dong faction is from Cholla Province.

[Kim] I said that because it was clear the present ruling party will lead the coming elections to confrontation between Kyongsang and Cholla Provinces, I can be in a position of a third person and I myself am indeed fully aware of the agony and resentment of those in Cholla Province, though I am not from that province. For the elimination of provincialism, specifically, local autonomy must be faithfully implemented; new, balanced local development plans must be worked out; and cultural exchanges must be sought. Above all, I believe the principle of fair personnel management is most important in all areas. You say that no one in the Sangdo-dong faction is from Cholla Province, but I can tell you that my chief secretary is from Cholla Province and, around myself, I have many excellent personages from that province. [passage omitted]

[Tong-a Ilbo] You have said that the presidential candidate of the RDP can earn absolute support and exercise full authority when he becomes president only when there is a single candidate from the RDP. However, under the present circumstances, it seems that a single candidacy would be impossible. Do you believe it is possible that you can earn more than 50 % of support, even if four candidates, including Mr Kim Chong-pil, run for the presidency?

[Kim] There is no change in my opinion that single RDP candidacy is a sure way to end the military government and make the next government strong. Only if we can put forward a single candidate can we earn more than 70 % of votes. I cannot confidently say that the winner can get the absolute majority of votes if four persons run. This is what I would like to avoid most.

[Tong-a Ilbo] In case the next president is elected earning only, for instance, 35 % of the vote, questions will be raised over legitimacy. What is your opinion?

[Kim] The president of the next government must be elected by earning the absolute majority of votes. The next president is responsible for leading the country

under difficult circumstances. Therefore, there would be a great difference between having the people behind him and not having the people behind him. [passage omitted]

[*Tong-a Ilbo*] Ever since 16 May 1961, there has been sentiment that a strong government is possible only when supported by the Army. What do you think about the opinion that a strong government is impossible without the support of the Army, no matter who may become the next president?

[Kim] Politics is reality. Ideal alone can do nothing. Realistically, I believe we must consider the existence of the 600,000-member Army. No one has ever struggled like me to end the autocratic military rule. However, as president, it is important to take a grip on the Army. I believe that in no case should the supreme commander of the Army fail to take a grip on the Army. I believe control is possible after taking grip, if normal and fair military personnel management is sought. [passage omitted]

No Gears Campaign Toward 'Common People'
SK210313 Seoul THE KOREA TIMES in English
21 Oct 87 p 2

[By Sin Hak-lim]

[Text] Chongju, Chungchong-pukto—Democratic Justice Party presidential nominee No Tae-u speeded up his election campaign yesterday, touring from village to village in the landlocked province of Chungcong-pukto.

Many people turned up to greet No. They chanted "No Tae-u, No Tae-u," waving the national and party flags and signs and placards in praise of No.

The DJP president repeatedly emphasized that he is an "ordinary person who shares both the sorrow and hope of the people."

No made short impromptu speeches to the gatherings on streets or entrances to small villages and towns, trying to establish his image as a "great ordinary person."

The DJP presidential nominee seems to be increasingly confident of a good result in the December election.

DJP members emphasize that the scenes are in sharp contrast with the continuing squabbling between the two opposition presidential hopefuls, Kim Yong-sam and Kim Tae-chung, over the single candidacy.

In his speeches, No emphasized that "democracy should be realized through political and social stability."

He said in a self-confident manner he has learned through his visits to local areas that this is the national consensus.

No also claimed that "the nation has almost reached the level of advanced countries."

"While running on the track to the goal, we cannot change the locomotive," No said, appealing to the people to support him and his party in the upcoming elections.

No participated at the inauguration rally for the party's local "Youth Service Corps" in Chongju gymnasium in the afternoon.

Earlier at gatherings on the way to the rally site, heads of local chapters introduced him in a loud voice as "the only leader who can have democracy take root in the growth and solve problems facing rural communities."

They did not forget to remind the local electorate that "No is the son of a farmer."

No responded in his impromptu speeches, "The era of great common people has opened."

"I will answer the warm support you have extended for me with a landslide victory in the elections," said No.

Despite No's repeated promise to share the sorrow and joy of the people, buses and other vehicles were stopped by a police car to make way for No's motorcade.

In a gesture to solicit support for No from youth, some 100 students were mobilized from six colleges in the provincial capital.

They chanted "No Tae-u" outside the party's provincial branch office, while No visited the party office.

Meets Kwangju Victim Families
SK210922 Seoul YONHAP in English 0915 GMT
21 Oct 87

[Text] Kwangju, South Korea, Oct. 21 (YONHAP)—Ruling Democratic Justice Party (DJP) President No Tae-u said Wednesday that he will step up efforts to relieve the pain of victims of the Kwangju uprising for the cause of national reconciliation and unity.

In a meeting with some 50 bereaved families and those injured in the 1980 uprising, the DJP presidential candidate said, I launched efforts to ease the pain, when I recommended that President Chon restore the civil rights of Kim Tae-chung on June 29.

In May 1980, nearly 200 persons were killed in a weeklong uprising in Kwangju which called for the lifting of martial law and the release of dissident leader Kim Tae-chung.

Kim Tae-chung, convicted by a five-member panel of the Army headquarters in a preliminary court-martial for anti-state activities and for plotting rebellion, was sentenced to death in September 1980.

Kim Tae-chung and 2,334 other political offenders had their civil rights restored with a sweeping grant of amnesty effective July 10 this year, following the announcement on June 29 of an eight-point democratization plan by No, then DJP chairman.

Individuals and groups connected with the tragic incident should forgive each other and become reconciled for the democratization of our homeland, No said. He arrived in Kwangju, some 255 kilometers south of Seoul, Wednesday to attend the inauguration rally for his party's local Youth Service Corps here.

Some persons and groups are preventing us from healing the tragic incident through reconciliation only for their own political reasons, he said. I will provide concrete measures to help victims of the uprising retrieve their lost honor and provide them with a means of livelihood.

The DJP presidential candidate also said that he will make efforts to develop the Honam region, the south-western part of the nation, and work for improved relations with China, including direct trade with the country, in the future.

He made various other election pledges, calling for the establishment of a large industrial complex near Kwangju and the construction of an airport in Mokpo, Kim Tae-chung's hometown some 305 kilometers southwest of Seoul.

Ministry To Lift Ban on Student Politics

SK210247 Seoul THE KOREA TIMES in English
21 Oct 87 p 2

[Text] The Ministry of Education plans to remove school regulations banning political activities by university students if the election-related laws are revised to allow students to engage in election campaigns.

Under the revision to the Presidential Election Law agreed upon between the ruling and opposition parties, students aged 20 and older are allowed to engage in election campaigns. However, school regulations in major universities ban students from political activities.

Students are subject to punishment including suspension from school if they engaged in politics in violation of present school regulations.

Saemaul Movement Barred From Sports Events

SK210303 Seoul THE KOREA TIMES in English
21 Oct 87 p 3

[Text] The Central Headquarters of Saemaul Movement will be barred from sponsoring various sports events beginning next year, the Home Ministry said yesterday.

Instead, the sports festivities including Saemaul soccer games will be sponsored by the Korea Association of Sports for all, the ministry said.

The ministry step was taken as there has been mounting criticism that the Saemaul headquarters formerly headed by Chon Kyong-hwan, a younger brother of President Chon Tu-hwan, has been wasting huge sums of money on extravagant sports festivities.

The ministry also revealed that the headquarters reclaimed a 180,000 pyong of sealand (one pyong equals 3.3 square meters) on Yongjong Island in Ongjin-kun, Kyonggi-do, without taking due legal steps in collusion with the county administration and the Forestry Administration.

The government authorities also permitted the Saemaul headquarters to excavate 530,000 cubic meters of soil and rocks from the wooded land on the island free of charge. The soil and rocks were used to fill the sealand on which a Saemaul training center has been built.

The irregularities were made public in the course of the special inspection on the headquarters conducted by the Board of Audit and Inspection last August.

The Home Ministry plans to reprimand the officials of the county and the forestry office responsible for the irregularities.

The ministry also decided to discontinue Saemaul education on employees of inns, barbershops, tearooms and restaurants conducted by the headquarters. Instead, the education will be taken up by Health-Social Affairs Ministry.

However, Saemaul education on taxi drivers will be conducted continuously by the headquarters to prepare for the upcoming '88 Olympic Games, the ministry said.

According to the ministry-prepared plan for the improvement of the headquarters operation, in-camp training of female Saemaul leaders at the headquarters training center will be replaced with out-of-camp training.

Government officials dispatched to the Saemaul headquarters will be recalled to their original posts once their one-year service tenure at the headquarters expired. Thus far, the tenure has been prolonged to several years without due reasons.

The ministry plan envisages no more dispatch of public servants to the headquarters.

Currently, a total of 26 government officials are working at the headquarters.

The number breaks down to 11 from the Education Ministry; four from the Home Ministry; two from the Industrial Advancement Administration and KBS [Korean Broadcasting System], respectively; and one

each from the Defense, Trade-Industry, Health-Social, Culture-Information Ministries, Seoul City, the Agricultural Advancement Administration and the Agricultural Cooperatives.

From now on, the Home Ministry will strengthen inspection of the Saemaul headquarters, according to the ministry plan.

Korean Stock Market Closes 'Mixed' 21 Oct
SK211032 Seoul YONHAP in English 1022 GMT
21 Oct 87

[Text] Seoul, Oct. 21 (YONHAP)— The Korean stock market closed mixed Wednesday following a plunge of the previous day.

Investors confidence seemed to recover on the news of rebound on the major global stock markets, including New York Stock Exchange.

Buying sentiment, however, was still weak because shock of Black Monday did not disappear completely.

The composite stock price index rose 4.55 points in the morning session before closing at 506.32, up 1.94 points from the previous day, when the exchange experienced a frightening decline of 12.23 in the index.

Share prices advanced across the board in the opening session, but the market closed mixed in quiet trading.

Among 473 issues that changed hands, 235 climbed and 155 fell. A total of 44 issues soared to the daily maximum margin while 14 plummeted to the daily lower price limits.

Trading volume dropped 2.1 million shares to 4.82 million from Tuesday's 6.92 million. Turnover was 80.6 billion won (about 100.7 million U.S. dollars).

Insurances continued to advance sharply. Stocks of brokerage, food and beverage, chemistry, cement and construction rose slightly while steel retreated. Textiles, pharmaceuticals, electronics, trades, and transportation and bank issues were mixed.

Ministry Drafts Bill on Sex Discrimination

SK210319 Seoul THE KOREA HERALD in English
21 Oct 87 p 3

[Text] The government will soon present to the National Assembly a bill outlawing discrimination against working women, officials said yesterday.

The Labor Ministry, aligned with the ruling Democratic Justice Party, has drafted legislation designed to help remove restrictions on women in jobs, leave and promotion.

In particular, it would outlaw management-labor contracts under which women are obliged to resign when they get married, pregnant or give birth.

In many workplaces, women are still required to quit their jobs when they get married or have babies, according to labor specialists.

They said many commercial banks still stick to the bad practice.

Women reporters are scarce at national newspaper organizations. In most cases, woman reporters are assigned to cover cultural events.

Very few women cover politics for newspapers or television networks in Korea.

The measure would ensure that women employees are not subject to discrimination in the fields of training, assignments and promotion.

Employers must provide up to 12 months of paid-leave to female workers who need to care for their babies.

Labor Ministry officials said the bill would be referred to the Assembly probably tomorrow for legislation.

Even if the bill clears the Assembly, which is uncertain at this moment, the officials conceded that it is not yet clear whether all provisions of the measure would be honored by employers.

"As Korea is still a male-dominated society," one labor expert commented, "it seems unlikely that all forms of discrimination against women in companies would be lifted at once."

"It will take time for the Korean people, including women, to change their way of thinking and action," he added.

Brunei, Malaysia & Singapore

Malaysia

Foreign Minister on Fiji, Manila Summit

BK210303 Kuala Lumpur Domestic Service in English
1330 GMT 20 Oct 87

[Text] Foreign Minister Datuk Abu Hassan Omar says Malaysia is prepared to consider any request for aid from Fiji which has been dropped from the Commonwealth because of its change in status to a republic. He says Malaysia is quite open as far as the situation in Fiji is concerned.

The foreign minister said this to reporters on arrival home after attending the United Nations General Assembly in New York and accompanying the prime minister to the recent Commonwealth Heads of Government Meeting in Vancouver, Canada. Datuk Abu Hassan said although Fiji had yet to approach Malaysia for aid, it would do whatever it could in view of that country's long-standing ties with Malaysia. Fiji's relations with Britain, Australia, and New Zealand became strained after Colonel Sitiveni Rabuka staged the second coup last month.

On the ASEAN summit scheduled in Manila in December, Datuk Abu Hassan said the venue would be changed only if the Philippine Government expressed inability to hold it. He said the Philippine Government had assured ASEAN foreign ministers in a meeting in New York that preparations for the summit were proceeding as scheduled.

Mahathir Returns, Advises Reporters

BK211015 Kuala Lumpur BERNAMA in English
0952 GMT 21 Oct 87

[Text] Kuala Lumpur, Oct 21 (OANA-BERNAMA)—Prime Minister Dr Mahathir Mohamed Wednesday advised all quarters especially newspapers to refrain from making and publishing provocative statements to ensure peace and stability of the country.

He said this to reporters at the Kuala Lumpur International Airport on his return from Vancouver where he attended the Commonwealth Heads of Government Meeting.

When asked whether he would advise his cabinet ministers not to make any more sensitive statements, he said: I would advise newspapers to play their role responsibly. If we want stability, we should not be provocative, he said.

Asked again if he would advise his cabinet ministers to refrain from making provocative statements in view of the political situation in the country, he said: We advise everybody, not just ministers.

On the outbreak of rumours that racial riots had occurred in the city following a shooting incident, he said that kind of reaction occurred because everybody was thinking along that line.

Call to Cancel Planned 'Racial' Rally

BK210606 Hong Kong AFP in English 0557 GMT
21 Oct 87

[Text] Kuala Lumpur, Oct 21 (AFP)—Opposition party leader Lim Kit Siang Wednesday called on the United Malays National Organisation (UMNO) to cancel a rally that could be interpreted as being racial in character.

Racial tension has run high recently over the government's handling of promotions of non-Mandarin educated teachers in schools where Mandarin is the medium of instruction.

Mr Lim, secretary-general of the Democratic Action Party, said in a statement that recent UMNO rallies to protest Chinese groups' interference with the issue had taken the country to the "edge of a racial volcano."

Panic struck the capital late Sunday when a lone gunman ran amok killing one man and wounding two others. Rumours of racial clashes spread quickly after the incident and many Malaysians stayed at home.

Inspector-general of Police Haniff Omar said Monday that to prevent further aggravation of the situation there should be no more demonstrations, rallies or meetings.

UMNO, the dominant party in the ruling National Front, is planning a rally on November 1 to celebrate its 41st anniversary.

Cambodia

Relief Sent to Drought-Stricken Families

BK201419 Phnom Penh SPK in English 1105 GMT
20 Oct 87

[Text] Phnom Penh SPK October 20—The Kampuchean Red Cross has recently delivered over 153 tons of rice to drought-stricken people in the provinces of Takeo, Prey Veng and Kompong Chhnang.

Of the relief which was donated by the High Commissioner for Refugees (HCR) and World Food Program (WFP), over 50 tons were distributed to 1,000 needy families in the districts of Tram Kak and Samraong in Takeo, over 51 tons to 1,024 needy families in Peam Ro District, Prey Veng, and over 52 others to 1,044 families in the five districts of Kompong Chhnang Province.

Rice Seeds Distributed To Overcome Drought
*BK210222 Phnom Penh SPK in French 0407 GMT
20 Oct 87*

[Text] Phnom Penh, 20 Oct (SPK)—To help the peasants overcome difficulties caused by the recent drought, the Ministry of Agriculture has recently supplied to Kompong Chhnang and Kompong Speu Provinces and Phnom Penh City 220, 50, and 10 metric tons of IR rice seeds respectively.

For its part, the agriculture service of Kandal Province has so far distributed to farmers 230 metric tons of rice seeds, 6,190 metric tons of chemical fertilizer, 1,400 liters of insecticide, and 414 Kg of rat poison. It also sent 40 water pumps to the pumping stations of Kandal Stoeng, Kien Svay, Phnum Penh, and Ponhea Loe Districts, and 430 others in various localities.

In Phnom Penh, the municipal agriculture service has supplied the farmers of the suburban districts of Dang-kao, Russei Kev, and Meanchey with 136 metric tons of rice seeds, 335 metric tons of seeds [as received], 200 liters of insecticide, and several water pumps.

The Agriculture Service of Kompong Cham Province, about 100 km northeast of Phnom Penh, has distributed to the peasants 1,353 metric tons of chemical fertilizer, 9,900 liters of insecticide, 150 metric tons of rice seeds, and 6 water pumps.

Hun Sen, Sihanouk To Meet in December
*BK210630 (Clandestine) Voice of the Khmer
in Cambodian 0500 GMT 21 Oct 87*

[Text] Samdech Norodom Sihanouk, president of the Cambodian Coalition Government and the FUNCIN-PEC [National United Front for an Independent, Neutral, Peaceful and Cooperative Kampuchea], arrived in Paris on Monday evening from a trip to Romania.

The office of the personal representative of Samdech Norodom Sihanouk in Cambodia and Asia discloses that after his working visit to Romania, the samdech will stay in France until the end of October. The samdech will leave for North Korea, passing through China, at the end of October to celebrate his 65th birthday there.

At the same time, the VOK newsroom has received a report saying that in an interview with a foreign paper in Phnom Penh, Hun Sen, prime minister of the Vietnamese-Heng Samrin regime, said he will visit Samdech Norodom Sihanouk in Paris, France, in December.

Son Sann Returns to Bangkok 19 October
*BK200644 (Clandestine) Voice of the Khmer
in Cambodian 0500 GMT 20 Oct 87*

[Text] His Excellency Son Sann, president of the KPNLF and prime minister of the CGDK, arrived in Bangkok at noon on 19 October on his way from Paris, France, after attending the UN General Assembly session as head of the CGDK delegation.

His Excellency Son Sann will make a trip to the Cambodian-Thai border this week in order to visit the KPNLF combatants and the Cambodian people who are loyal to the KPNLF.

Sihanoukist Army Activity in September
*BK200648 (Clandestine) Voice of the Khmer
in Cambodian 0500 GMT 20 Oct 87*

[Excerpts] A high-ranking ANS [Sihanoukist National Army] military official has reported that at least 54 Vietnamese soldiers were killed and 84 others were wounded during 28 attacks launched by ANS combatants in September and that at the end of September, more than 100 Heng Samrin soldiers fled to join the ANS. [passage omitted]

According to this ANS military official, in September, the ANS launched 28 military operations in cooperation with the combatants of the Democratic Kampuchean side against the Vietnamese soldiers. This official said that the attacks against the Vietnamese soldiers were often carried out on a small scale in the form of guerrilla warfare in order to harass the Vietnamese everywhere. These attacks were carried out mostly in a short period, from 2 to 5 hours. [passage omitted]

Philippines

Aquino 20 October Speech to Businessmen
*BK201502 Quezon City RPN 9 Television in English
1348 GMT 20 Oct 87*

[Speech by Philippine President Corazon Aquino to Philippine businessmen on 20 October at the Manila Hotel—recorded]

[Text] Please be seated. Senate President Salonga, officers and members of the business organizations, fellow workers in government, honored guests, ladies and gentlemen:

Before I start with my speech, I think all of us have heard about the stock market crash in New York and in other major cities. I asked our Central Bank Governor (Jugo Fernandez) to get in touch with New York and to tell us what is the latest in that regard. So we are aware of the most recent developments, particularly in the equity markets in the United States, in Japan, in Australia, and in the smaller markets around our region. We will monitor these developments closely and will continue to hope that they do not precipitate large declines in economic activity around the world.

The Philippines, as a trading country in the world economy, depends on the continued health and growth of both the world economy and the world trading system. The Philippines, in addition, as a large borrower nation, is affected by developments in interest rate levels around the world and will carefully monitor the impact of these

developments on interest rates, on gold, and on commodity prices. We welcome the statements from world leaders that urge calm in the present difficult situation.

You invited me here because you say you are concerned about the presidency—about the way things are going or not going in the economy, in the labor front, in politics, in the war against the communists. Above all, I am told you are concerned about me and my leadership. But first, the formalities. Let me say that it is a pleasure to meet with businessmen—the engines of economic growth as you are referred to in all our economic plans. In the next 20 months I hope to see many more of you, together with those who work with you on the shop floor and in the fields of your businesses because it is there, where Filipinos put their shoulders to the wheel of our national economy, that our future is made.

I have to say that at the beginning because there has been more talk than work in our country today. That is a pity because recovery and progress won't come through talking. At this time, when all the talk is about coups and strikes, it is worth remembering that it is work by all of us that is going to lift us to better times. When politics gets in the way of work we have a problem, and there has been too much politics. Let me get down to the issues that made you invite me here.

Issue No. 1: Government lacks a program of economy and politics.

First, the economy. It is said that government lacks a coherent plan of economy. Wrong. We have a detailed medium-term plan. We are following that plan to the letter, making adjustments here and there as the need arises. A lot of spirited and intelligent debate went into the making of that plan.

Some people said that the overspirited debate proved a flaw in the government. To the contrary, I thought the debate assured a better plan. The plan sets the direction this government would like the country to take. It is not set in concrete because we do not pretend that the plan foresees every contingency, but there is a direction. If you do not like the direction, let us know. We can reopen the debate. This is a democracy.

The state of the economy was clearly and accurately described by me in my State of the Nation message. I recounted the disappointment we had met in our effort to revive the economy with external assistance. But I also pointed out the healthy signs in the economy. Recession bottomed out in late 1986. We posted a modest 1.5 percent GNP growth whereas the 2 previous years had been negative. The reforms we had implemented improved the situation further. First quarter GNP 1987 posted a growth of 5.5 percent. Unemployment dropped from 12 percent to 11.2. The exchange rate remained stable. But I made no promise that it was locked there with any degree of permanence. We have \$2.4 billion in reserve. For the first time in 3 years investments started

to grow. These were the effects of the structural reforms we had implemented. All monopolies from sugar to sardines are gone. More than 2,000 items are freed from licensing with a further 260 items to go. Price controls, whose inefficiencies and distortions always meant they hit the poor hardest, are gone. From (powered) course to rural credits, we have moved to reform and clean up so that we can put the country back to work. We shall do more to deregulate all economic activities so that the businessman is not hostage to the bureaucrats and the politicians. With due regard to public health and safety, we shall move to eliminate licenses and permits to the extent possible.

I pointed out certain weaknesses in our economy. Those weaknesses have been aggravated by the public reaction to the 28 August coup attempt. The reactions, let me emphasize, not the coup attempt. The coup was defeated by a timely decision to use maximum force. But our victory was quickly undone by reactions to the coup. That reaction took the form of rumors of another coup, of talk about fatal weakness of the government which had roundly defeated the coup, of divisions between military and civilian, although the coup was defeated by the solidarity of the two sectors. What happened? I am not surprised that instead of backslapping congratulations, there were hand wringing instead. For we Filipinos did it again. Coups, successful or unsuccessful, are usually bloodless affairs. But the last attempt was one of the bloodiest anywhere in the world. Another Filipino first. But it doesn't erase the fact that the coup was roundly defeated. The perpetrators are swaying in LST's awaiting trial and their leaders are in hiding.

But better than defeating coups is deterring them, and removing or at least reducing the reasons they get some support. The soldiers have legitimate needs that have not been met. But they have never been ignored by my government.

We continue to scrape the barrel of our resources to give them better conditions and better equipment for the all-important task of keeping the peace and destroying our enemy. I will go back to this later.

It is said that the government has had no blueprint of political development. I have a blueprint that you helped formulate when I challenged Marcos for the possession of state power. The blueprint calls for a restoration of democracy, respect for its processes, adoption of a democratic constitution, the establishment of its necessary institutions, such as an independent and honorable judiciary and an accountable executive and a representative legislature.

I came to power with a democratic blueprint that did not sit well with those who had other ideas about how power should be shared and exercised in this country such as by a junta. I rejected those ideas and stuck to my blueprint,

and I carried it out to the letter and in record time despite numerous attempts to sidetrack me by coups and threats, all of which I defeated.

We now have a Supreme Court and a revamped judiciary that no one can take exception to, that everyone lauds for its new honesty, competence, and independence.

We gave the nation a constitution that stripped me of the vast supreme powers I held in my single hands and got it ratified by a sweeping majority such as this nation has never experienced in its entire history. It is truly a people's constitution and the manner of its ratification did honor once more to the great people we are so fortunate to be part of.

Pursuant to that constitution, I called for legislative elections. There were efforts to derail those elections. The people came through again, voting in record numbers to give us a genuinely elected and truly representative congress. Early next year, we shall have local elections.

Part of the blueprint calls for a reorganization of the government to make it more efficient and responsive. And I gave you, by and large, men and women of the highest integrity and competence to administer that new government. So did I have a blueprint? You know I did and you helped me implement it in record time to the astonishment of a skeptical world. More than a blueprint, it is now accomplished and if I can help it, a permanent fact.

Issue No. 2: Relations with the military.

In a sound democracy, civilian government and its military arm have each their respective role. One makes policy, including military policy; the other enforces it. But obviously we have been undergoing a period of adjustment as all our institutions, the military included, come to terms with the new democracy. Still the facts speak for themselves. With the military, we have crossed every challenge to the supremacy of civilian authority. There was turmoil, naturally, because neither would give up without a fight. They fought me. I fought back. Surrender would have been neater, but it is not in me to ever yield. I want peace as much as the next person, but not at any price. Reality is never neat or nice.

The 28 August coup attempt revealed a fissure in the military, that is true, but more importantly, the determined and forceful putting down of the attempt by the military shows the triumph of professionalism. As I said, there are groups still resisting their personal and permanent loss of power and prestige, but the military as a whole demonstrated that it is firmly with, not against the new democracy. I retain full confidence in the professional leadership of the armed forces.

The period since the coup offers an even more interesting lesson. For all the threats of a further coup attempt, we have actually seen a retreat from military to political action. I suspect the coup bubble is burst despite another Filipino first coup by car-napping.

Threatened coups are used to leverage the political pressure. Somebody forgot to tell them that the place for politics is not the parade ground anymore but the halls of Congress. I have every confidence that their fellow officers will finally get this message through to the dwindling band of coupmakers. Yet I know there will be ambition and you should know that I will be always there to stop it from getting out of hand. Those who are desperate to retrieve their lost privileges will do what they can. I will do what I must to stop them!

The third issue is the insurgency. There is talk again about new talks with the NDF [National Democratic Front]. Let me clarify that. The truce ended last February when I ordered the AFP [Armed Forces of Philippines] to resume operations against the communist insurgents. Talks hadn't worked so it was time to fight and it is still fighting time. Therefore, any talk of resuming talks with the NDF is unauthorized. The insurgents are daily killing our soldiers and civilians. They are destroying bridges and power lines, burning public buildings. They blow up bridges, we rebuild them. They take down our power lines, we put them up again. All this takes a heavy toll on our economy and meagre resources; but it has not and will not in any measure reduce our resolve to fight back and defeat them. The Army has orders to hunt them down and pursue the war against the insurgents with absolute vigor. Poor as our people are and difficult enough as it is to recover from the ravages of dictatorship, the insurgents are determined to make life worse for everyone. By a twisted logic, they hope that the people will invite them to power so they will stop harrasing them. They forget that Marcos tried the same approach with the Filipino people and is now in Hawaii regretting it.

The extreme right is using the same strategy. They think that their coups, bombings, and assassinations will break the people's resistance to their brand of government and make them accept peace and quiet at any price. I invite them especially to look at their mentor in Hawaii and contemplate his fate.

The war against [applause] the communists must be waged by civilians as well as by the military—by OIC's [officers in charge] and by officers. I hold both responsible for the results I am still waiting for. Of course, military initiatives are not enough. Economic improvement and expanded social services are the long term and final solution. But we need military victories to buy us the time to make our programs work. To buy us the conditions in which our services can reach the people and change their lives for the better.

One month before the August 28 coup attempt, I devoted a third of my state-of-the-nation message to the requirements of a better fighting force, and the Congress is now acting on my specific request. My counterinsurgency policy has always been clear. First, talk—in keeping with my pledge to negotiate a peace that respects law and democracy—and then fight should it fail. I have said clearly all that needs to be said. Am I also expected to take up an M-16 myself and do it just like I went to the (Fiscom) office myself [applause] to vindicate my honor? [Applause]

The fourth issue you want a straight answer to is labor. I know you believe that the strike situation has become bad, nor are you willing to accept anymore the answer that this is the exuberance of democracy. And I don't blame you because there is something premeditated and carefully planned about this exuberance. I opened my remarks by saying that the future of our nation will be decided on the shop floors and fields of the economy. We have to get our labor relations right. That means labor must accept the same values that drive our democracy. Tolerance, fairness, respect for the law, and a shared commitment to bring progress—not chaos—to our nation. The right of collective bargaining is enshrined in the Constitution, but so is the duty to preserve order and respect for the law.

I believe we must establish a decent daily wage for all our working people, and beyond that, we must have a flexible wage bargaining system that reflects productivity. But I will not tolerate the abuse of any right. I will not allow an unruly minority to use the right of labor to improve the conditions of labor to achieve a communist victory instead. [applause]

The way to power is the ballot, not the strike. I therefore order the police and other peacekeeping authorities to give full assistance to the Labor Department to remove all illegal blockades at the factory gates [cheers and applause]. A special peacekeeping force has been organized and is now being trained to enforce return to work orders and injunctions issued by the department so that our response to resistance will be calibrated and reasonable in the application of force. The Department of National Defense and the Department of Labor will finalize and find within this week the guidelines for the conduct of the INP [Integrated National Police]-AFP personnel during strikes and lockouts. The Labor Department has issued the guidelines to clarify the conduct of strikes and lockouts, to clarify the rights and obligations of the parties to labor disputes. But for all that, I ask you, the business community, to do your share. Business operates for profit, and it is hard indeed for all of us to make a go of things while the economy is still struggling to recover.

Our laboring class is very poor, and their lives are truly difficult, which amazes me how they survive. I ask you to search your minds and hearts and probe your pockets to share with your brothers and sisters in the labor sector

the gains you made. Business and labor are indispensable partners in the growth of a free economy. They should act toward each other in that light. Labor has its rights as much as you have yours. But, in the end what will work is not the mutual enforcement of rights so much as a mutual commitment to grow together in prosperity. [applause]

That commitment has been demonstrated by the Filipino small businessmen and by the Filipino Chinese entrepreneurs who appear to have no problems about this government alleged lack of vision because they have a 20-20 vision for the opportunities that democracy and honest government have opened up. [cheers and applause]

They know my vision of this nation. A nation immersed in work and not lost in idle talk; a nation free and at peace with itself and its neighbors; a nation respected in the councils of the world; a nation strong because its people are strong, healthy, well fed, well housed, well educated, and firm in their commitments to the rights and freedoms that are the foundation of their dignity. It is a vision we can achieve as surely as we achieved the first—the restoration of democracy which we now enjoy.

The fifth issue I want to raise is foreign debt. That debt is growing even without fresh borrowing. Servicing the debt alone takes up over 40 percent of the budget, and over 45 percent of our export earnings. In the next 6 years we shall have to pay \$20 billion to our official and private creditors while we shall be getting only \$4 billion in additional loans. That means, we shall pay out \$16 billion more than we will be getting. Our policy has been very clear from the start. Growth must take priority for the plain and simple reason that if we have no money to pay, we can't. And if we starve the nation of essential services there may be no one around willing to honor the debts. Meanwhile, I have instructed our representatives to consolidate the rescheduling agreements by 15 November. That should end speculation and remove at least one excuse for hoarding dollars.

The sixth issue is what really brought me here. The question you all really want to ask is: Can she hack it? Isn't she weak? These are the questions that were asked by all those who have openly challenged my power, authority, and resolve. And who have suffered for it? [Cheers and applause]

I speak of the shame-faced officers who have abandoned their followers to await trial in LST's and the failed politicians who made the last places in the last election and are now trying to find a backdoor to power. [applause]

Well, they can forget it. Although I am a woman and physically small, I have blocked all doors to power except elections in 1992. [applause].

You invited me here on the issue of presidential leadership. The honeymoon is over, isn't it? It didn't last very long. By mid-1986, my cabinet was getting it. By August, the attacks were hitting closer to the presidency, and now it is out openly against me. The Cory who could do no wrong in those early invigorating months after February 1986, is seen as having done nothing at all. Nothing, in spite of a constitution, a congress, a well-thought out body of legislation that sets the direction of this nation to progress if you have the courage to follow. Still you ask: Is she weak? Again, I say let my scattered enemies answer that. [applause]

Still, you have reason to ask—for the style of government by consultation, which I hoped would get your understanding and support, has disappointed you, has given you a sense of drift. It is time again to simplify. Henceforth, I shall rule directly as president! To the ad hoc committees and commissions created to inform on their special areas, I now add one more, an action committee with a single member— me. [applause]

A president is supposed to be above details, but it seems I must do nearly everything myself. For a modest start, Metro Manila Governor Jejomar Binay will now turn over the responsibility and authority for collecting the garbage in Manila to OIC [Officer in charge] Mayor (?Men Lopez). [applause] I gave (?Men Lopez) I week to clean up the mess that has been neglected. The public should cooperate. Let us respect ourselves by not making a garbage can of our surroundings.

The Department of Public Works is directed to cover all potholes in the First District of Manila within 1 week and is given a 1-week period to fix up all the other districts in succession. [applause]

The National Power Corporation was poised to increase its rate due to the increase in the international price of crude oil. There will be no increase in power rates this year. [applause] Instead, I have directed all concerned agencies to submit immediately the necessary measures to prevent this increase, which measures I will implement this week. The PLDT [expansion unknown] must attend to all complaints within 24 to 48 hours or at least apprise the subscriber that the fault is in the cable and how long it will take to fix it. I urge the PLDT management to come up with a comprehensive program for improving service and upgrading facilities. The Central Bank, the Department of Transportation and Communications, the NTC [expansion unknown] and the [?Neda] are directed to give them the fullest assistance. I have ordered an investigation of (?Miralco) on the frequent brownouts, scheduled and unscheduled, that destroy industrial machinery and cut the income of our workers.

There is grave doubt about the seriousness of our privatization policy. There is always an excuse for government not to sell. Fine. Therefore, let me make this clear. I want government to get out of business. [applause] I

want it to cash in on all the investments it should never have made. Nonperforming assets listed to be sold will be sold in open bids to the highest bidder. First preference goes to the bidder with the most cash up front, using, and let me emphasize this, only fresh money. Buyers who want to use the target company's own fund are obviously going to run it to the ground. The preferred procedure is open bidding. Filipinos and foreigners will compete on the same terms subject, of course, to constitutional limitation. In general, ability to pay the highest price will decide conclusively. That is how PCI Bank and Associated Bank will be sold. (?Combank) is a negotiated deal because there is only one serious bidder. I will not tie up hundreds of millions of pesos just to keep some people in their jobs. [applause]

All our hotels are up for sale, including this hotel, the Manila Hotel. [applause]

Foreigners are invited to bid for the allowable equity. The sale of Philippine Airlines is under serious consideration. We cannot have it landing on the south superhighway. There is enough traffic there.

The policy, in brief, is no funny deals, no clever schemes, no fears, no favors. If anyone says that I have made an exception for him or her, report it to the press and to me. I got a copy of an application filed with the Central Bank for the importation of 8 million cases of apples. It is signed Corazon Aquino, president of the Philippines as if the signer wasn't sure if the Central Bank knew I was president. [laughter] Now that's a crook who isn't going to get far. More likely that, a thief of black propaganda that isn't going to fly. Eight million cases of apples means more apples than there are Filipinos. [laughter] I cannot issue a directive to all the banks on this matter, but let it be known that any application for importation of anything, apples, (?castanyas), oranges, and guns, alleged to be signed, endorsed, supported, or whatever by me or any of my kin should be reported to me and to the NBI [National Bureau of Investigation]. [applause]

I have further talk of the coffeeshop. I am addressing your concerns about graft and corruption in government. I have directed a special prosecutor's office and the NBI to give first priority to the investigation and prosecution of graft and corruption cases against senior government officials, including the members of my cabinet. [applause]

I am not sorry the honeymoon is over. The sooner we get over the fantasy of the honeymoon and face the hard work of marriage, the marriage of president and nation, the better for all of us. [applause]

I recently read a formulation of presidential leadership by (Hatley Donovan) called the honesty of Abraham, the intelligence of Henry Kissinger, and the soothing TV personality of Marcus Welby, Robert Young. He goes on

to quote, approvingly, a former U.S. congressman who said: The president should like his fellow man and he should have read Machiavelli. [Applause]

Transposed to this country, you might say the ideal president would have the courage of [Filipino name indistinct], the intelligence of Diokno, the charisma of Magsaysay, and the love of country of the men and women and children who converged on EDSA [Epifanio de Los Santos Avenue] in February 1986. That is quite a tall order and it is no surprise that the ideal president has never lived and is defined by the traits of different leaders facing different challenges in different times.

I do just fine on the honesty and liking my fellow man, although recently there have been exceptions. [laughter] But there is no regret on my part if there is not much of Machiavelli. I don't have all those qualities. Some of my enemies who contributed to the mess led by the previous government claimed to possess them. Maybe, but they lack the one quality I alone have—election to the presidency and the mandate for my principles and policies that have been tested in a massive voters registration, a plebiscite, a sweeping electoral victory for the Congress, and five coups that were handily beaten by us and our forces. [applause]

They lack the one thing the people will never give them—trust. I do not have all the qualities of the ideal president who never existed, but I have the qualities for the leadership of our nation in these times. After years of stealing, degradation, and abuse from our leaders, the Filipino people made a clear choice. They wanted a leader whose honesty and commitment to them would never be in doubt, who would not clamp down but rather open up the country so that all could be heard, and who would bind our wounds so that we could, as one nation, work together to overcome our common crisis of economic decline.

I expect nothing from yesterday's men, backed over as they are by the march of history. To all other Filipinos though, I say the tide is with us, together our future can be as bright as we choose to make it. So judge my leadership as the sum of all our strength. What sets me apart is that I bring us together where others would divide us as a nation. Those who challenge me challenge us.

The last time I spoke here before you, before I became president, I left you with a slogan that carried us to victory. I leave you now with this: [unable to process Tagalog language slogan] [Long applause]

Market Gain Attributed to Speech

HK211045 Quezon City Sports Radio 738 in English
0900 GMT 21 Oct 87

[Text] The stock market gained considerably today after prices plunged yesterday in all issues. This came after the collapse of the Dow Jones collective averages by more

than 500 points and the sudden drop in copper prices. Leading investors [words indistinct] following the unexpected (?absence) of trading. It was earlier predicted that the decline would take place as a result of apprehension that the Wall Street fall may continue, thereby hurting the local market some more.

As of today's trading, the Dow Jones averages were still down by some 400 points, but Philippine stock prices climbed heavily to a fair level. Observers attributed this to President Aquino's speech yesterday before members of the Philippine business organizations. In her speech, the chief executive emphasized the government's firm support to the country's business sector.

Opposition 'Unimpressed'

HK210715 Hong Kong AFP in English 0632 GMT
21 Oct 87

[By Roberto Coloma]

[Text] Manila, Oct 21 (AFP)—President Corazon Aquino has emerged a stronger leader since the August 28 coup attempt, supporters said Wednesday after a major policy speech she delivered drew popular acclaim.

But the opposition remained unimpressed, with a left-wing union group denouncing her pledge to break up illegal strikes as "fascist."

Mrs. Aquino Tuesday delivered what could be the toughest speech of her 20-month presidency, reviving her flagging support among businessmen.

"The speech was just great," Aurelio Periquet, president of the Philippine Chamber of Commerce and Industry, told *Agence France-Presse*. "It has buoyed up the spirits of business."

He said Mrs. Aquino addressed the chamber's two main concerns, law and order and labor militancy, by rejecting new peace talks with leftist rebels and vowing to crack down on illegal strikes and barricades.

She also vowed to crush any attempt to repeat the rightist coup attempt in August that left 53 dead and 300 wounded, and with unusual bluster declared:

"Still you ask: Is she weak? Let my scattered enemies answer that."

The speech followed weeks of rebuilding the political base through meetings with special-interest groups and visits to two troubled regions.

"After August 28, she emerged a stronger president," Mr. Periquet said.

The coup attempt had put Mrs. Aquino on the defensive and forced her to revamp the cabinet, removing her closest advisers due to military pressure.

To add to her woes, Vice President Salvador Laurel bolted the cabinet during the crisis and began forging links with the rightist opposition, while making it clear he was prepared to succeed Mrs. Aquino if she fell from power.

The country's largest labor organization, the conservative Trade Unions Congress of the Philippines (TUCP), Wednesday welcomed the president's announcement that police will break up all illegal strikes and barricades.

The move was aimed at TUCP's rival, the leftwing May First Movement (KMU), which she accused of trying to use trade unionism to "achieve a communist victory instead."

Mrs. Aquino said in her speech that a specially-trained police outfit will be fielded by the departments of labor and defense to enforce strike laws.

KMU spokesman Nick Elman Wednesday denounced Mrs. Aquino as an "anti-worker" president who uses "fascist" means to suppress workers' demands.

He said KMU members will resist efforts to forcibly break up their protests.

Opposition leader Francisco Tatad, a stalwart of the Grand Alliance for Democracy led by Mrs. Aquino's chief rival Senator Juan Ponce Enrile, cynically said: "It was a good speech...she had a good speechwriter, that's about all."

He added: "We are saying that the coup was foiled but the rebellion continues. I think what should be pointed out is that she is the only Filipino president who has attracted so many coup attempts."

"They may win militarily, but they may not be able to survive politically."

Paper Publishes Interview with Aquino
HK201351 Manila THE MANILA CHRONICLE
in English 18 Oct 87 pp 20, 19

["Edited text" of "exclusive" interview conducted by Amando Doronila with President Corazon Aquino on 14 October; boldface passages as published]

[Text] The Aug 28 coup seems to have been a watershed for the government. In the aftermath of the shocks of the coup, what changes have taken place in your style of government and in your priorities?

Let me go to the priorities first. I have told the Secretary of Defense, the Chief of Staff and the major service commanders that the immediate problem is the rebel military. But of course, the long-range problem is the communist insurgency and the economy. But I emphasized to them that until we are able to resolve this problem caused by Honasan and company, it is really

difficult to concentrate on the economic problem. Well, change of style, there has been a change in the Cabinet specifically the replacement of the Executive Secretary and the Secretary of Finance plus the Secretary of Foreign Affairs.

There seems to be some qualitative change in the sense that by dropping Mr Arroyo who was very close to you, you seemed to have broken the notion of gratitude to those people who have helped you very much. Are you now saying that your gratitude belongs to higher things like the nation?

This did not just happen on Aug 28. If you will recall, Doro, in November, first I asked for the resignation of Johnny Ponce Enrile, then the other four specifically Nene Pimentel, Bobbit Sanchez, Ernie Maceda and Roning Mercado. I guess of the four, I consider myself closest to Nene Pimentel. So even then I knew that my first obligation was to the country in the sense that this has to take priority over whatever relationships or friendships I had.

So in the future that should be considered the norm of your conduct. Does it also apply to your relations? I am talking about the wide perception about your relatives taking advantage of their privileged position to gain some advantages. That involves your own moral authority which could be eroded by this perception.

In fact, Doro, I really don't know what else I can do. I have already told all Cabinet members that no relative of mine is to be treated differently or in a more special way than anybody and I have emphasized this time and again. You can, in fact probably call any government official and ask them if I have interceded in any way for my relatives. At the same time, I have also told my relatives to play it as low key as possible but short of hibernating or exiling themselves, I don't really know what else I can do.

So what you are really trying to do is to exert moral suasion on your own relatives ...

When I decided to run for the presidency, I made it clear to my children that I no longer just belong to them, that I have clearly offered my life for the Filipino people. If I can do that, you know if, I can tell my children that they no longer are first insofar as I am concerned, I think it is really difficult to deal with perception, Doro.

In fact I have even told my children at times, "Maybe you should not eat out in the better restaurants" and they told me, "when you were not President we could eat out in the hotels."

Maybe I was getting very sensitive about that already but if anybody can really come up with something specific against any of my relatives, nobody is above the law and I really mean this. Is it fair to my relatives that they should just go with themselves? I don't really know what

they can do. In fact at one point I told Paul, "Paul wag ka na lang magnegosyo [Paul do not go into business anymore]" and Paul was saying "But what am I supposed to do?"

Perhaps we can go back to the time when Ninoy was in prison and definitely it was a crime to be a relative of Ninoy and so it's not that I am saying because they had a difficult time before that they should be having it easy now. But I felt they are also Filipino citizens and so long as they do not abuse or take advantage of the relationship with me ...

You said during the early days of your presidency that you do not welcome unsolicited advice. Has your attitude changed? Are you more open to varied resources of advice?

Doro, considering I said that, you still can't imagine how much advice I get. What more if I hadn't said something like that? But my time is limited. I do my best to reach out to all, especially those who can help me in deciding a particular problem. Some of my friends before are complaining, "You know Cory you are no longer the Cory that we knew." Before, I'd call them up and ask them how are you, and can we go out for lunch, or something like that. I suppose its just a question of telling them that not anybody can just come here and give me advice because we do have a system and we do follow a system and we do have to ask them to make appointments. Well, even Teddy here, unless he comes to me early in the morning, he can hardly squeeze time in. I mean, it's that bad.

So what system are you using now? Does that allow you to have maximum access to really significant sectors so you are not isolated from the people?

In fact, I've asked people who have worked in Malacanang if my predecessor had received as many people as I am receiving now and the answer is no. In one respect, though, maybe I have not been able to talk to members of the media compared to before I became President when I was very available. Maybe, in that sense, I have not been as close to them, or as acceptable to them.

It appears that you now have given more access to the press, that you are consulting with sectors more often than before. Does this indicate qualitative change in your own style? What caused the change?

Like what?

Well you are meeting various sectoral groups...

Can I just correct you on that, Doro? Before, every Thursday or Tuesday, I would meet with all the governors and the mayors of each region plus the military and the church leaders of that region together with the

Cabinet members whose departments should be subject to that particular region. This had been going on every week. Then I decided that instead of coming to me, I will go out to them.

I started this in July in Bicol and on Aug. 28 I was supposed to be in Region 3 but because of the coup, that did not push through.

What I have been trying to get my staff to work out is a day something like what Magsaysay set up...a common man's day. It's just that they have not been able to work out first who do we identify who will come here...

And I myself have plans. maybe you should know this only after I have gone there because we have to worry about security measures too and I cannot announce this ahead of time. But I intend to make surprise visits like what I did when I went to see the Sipocot bridge.

You've been in office for more than 19 months already and you have collected a lot of experience. Are you preparing a bigger program for government? I mean a blueprint for economic development, recovery and stability—what people perceive as lacking in your government. In other words, what is your vision for this country during your presidency? What do you like to happen went you step down in 1992?

1992...because of the difficult problems we are facing I think it is very clear not only to me but to every one how necessary it is to unite as many of the majority of the Filipinos so that together we can solve these problems. Pagkakaisa [unity] is what I would like to be able to achieve. What I would like to see happen is all of us to join hands, Government and the private sector, including the church leaders.

The economic programs have been there from the start. In the first six months, we laid them out and we have already accomplished some of our goals like the dismantling of the monopolies, like sugar and coconut. We have also been able to effect a number of reforms, like we have abolished the export taxes on the agricultural products.

There is still so much to be done but we have been able to, first of all, make a turnaround in the economy. Before 1984 and 1985, people just seemed so hopeless and it seemed that our country had no way to go but down. I think people have forgotten that aspect. There has been a great change. Of course, expectations were also very high and people were expecting a great many miracles but if we just list everything down that we were able to accomplish, I think, I am proud to say that people do believe in this Government. When I say something, correct me if I am wrong, people do believe what I say, unlike my predecessor. People think if he means the opposite of what he is saying.

Are you now more comfortable with power or are you less reluctant to use it?

I think it's not a question of being less reluctant ... I guess in 19 months, if I have not changed or I have not learned, then the people would have the right to throw me out. But I think 19 months really have been not only a great learning experience but definitely I am more confident now. In the matter of using power, yes, because I guess my handicap was I was Ninoy's wife and I was not used to having power before. I guess my background did not make me used to power. It was something new. You know all of these powers, especially being able to order these men around.

This is something really new that I never contemplated or dreamed about. In fact, sometimes I wonder, is anybody afraid of Cory Aquino? or when people come here they don't tell me what they intended to tell me, and afterwards Ching Escaler would come back and say, "they asked me to tell you this." Then I'd say "Why didn't they tell me right in my face?" Even my brother-in-law Butz tells me, "Well, I think the office must really be intimidating and when we are in front of you, we cannot even tell you what there is to say." Have I really changed that much?

Power has not sex; maybe it's something to think about. It's an objective element.

I know how to use it now.

Are you confident now that you can cope with future coups more effectively?

Yes. I think we are better prepared now. I suppose in the past—because I guess they know how to lull us into complacency—every week there would be a report that there is another coup attempt. In fact, when the head of the PSG [Presidential Security Group] tells me "Ma'm there is a report of possibly another coup attempt, I tell him "don't bother to tell me that anymore". But because of what happened on Aug. 28, you have to be prepared for any eventuality and I also have to think of what I am not prepared to do. I am not a violent person but I have to think that the enemy has other ways and has other designs and that I should never make the mistake of thinking that what I am not prepared to do my enemies will not do either.

Is the military working hard to get Honasan?

I certainly hope they are because I keep nagging them about this.

Are there negotiations for his surrender?

None. My order was very clear to arrest him and that in the matter of negotiations, I said no negotiations. He surrenders first or, hopefully, he is arrested and captured, then he will have to face the full force of the law.

Do you consider the emerging alliance of Laurel and Enrile a serious threat to destabilize your Government?

Do I consider it a serious threat? The most serious threat is the armed group. Now whether they have an armed group is another thing. But I think I will be confident enough to let the people choose between me and the Laurel-Enrile tandem if there is really such a tandem.

I can perceive that you now have a sense of power. What do you think then of the so-called constitutional alternative bruited about by this group backing Laurel and Enrile, something like a constitutional group?

Well I guess if something happens to me, then naturally the Vice President takes over. But, you know this matter of a constitutional coup, there's no such thing. It's a contradiction of terms. I was hoping that people who have presidential ambitions could wait until 1992. At any rate, I am determined to hang on and stay as President until 1992.

Moving on to foreign policy, does the appointment of Sen. Raul Manglapus in the foreign office foreshadow change in foreign policy? I am thinking about the fact that Manglapus would try to reexamine the basis for the presence of military installations and bases. Did the appointment reflect that you share the same views with him?

First of all, I am not prepared to comment exactly on what changes, if any, will be made because I feel that on the matter of the bases I have already said I want to keep my options open and this is known to all.

The reason I asked then Sen Manglapus to become Secretary of Foreign Affairs is that I have always regarded him as one of the top three Filipinos insofar as being really knowledgeable and competent in foreign affairs is concerned. And naturally I was so pleased and also relieved when he accepted this new call. And so Sen. Manglapus and I can work very well and close to other leaders but whatever our plans are will have to be kept secret until the proper time comes.

Do you take at face value the series of declarations of support of your Government by the Reagan administration?

Well, let me put it the other way...if they did not voice their support for me then, that would have led to the question, why are they keeping quiet, or something like that.

But there were reports that you rejected an offer during the day of the coup for facilities by the new American ambassador. Is it true?

It was never offered. What facilities? In fact, I am not even aware of it. Besides, if I did not accept the offer during the February Revolution to stay in the U.S. ship, how much more now that I am President?

So you are confident of the sincerity of the declaration of support of the U.S. Government so far?

Somebody asked me this also—"don't you consider as interference the fact that Ambassador Platt is expressing support for your Government?" But Ninoy has said that because America is the superpower that she is and the Philippines being the developing country that she is, what America does or does not do will always be regarded as interference by some people and so long as that is the case, then America might as well interfere for good. My Government is the legitimate government and when the American ambassador expressed support for this government, I suppose I could view it as interfering for good.

So compared to your attitude in your first six months of office and now, how are you beginning to enjoy the power? Do you think power is a tool for the future of the nation?

I suppose during the first six months, because we were all new in the sense that there was no transition and everything just had to be done right away, in a sense it was very difficult. As I said, I was not used to power before. Now I know that being President you can really use power not only for war. Definitely I will not use it for my honor and glory. But you can really get things done and do it in a hurry and all it needs is a telephone call. In fact, sometimes it doesn't even need me to do the calling. Just somebody ...Sec. Macaraig or even Teddy would do it if I ask him to do the call for me then things move that much faster. But more than that, being President is a very fulfilling job.

It is only now that I really believe I am helping a lot of people. Maybe people don't think that but at least I believe I am able to improve, even a little, a number of lives.

It is only in my Administration where I think there has been a real effort to get all sectors working together. In the past, the military told me that they really felt they were alone and isolated, and now not only the military but even the NGOs [non-government offices]—the church and all the other sectors—they felt that they are able to contribute something and that they are needed.

So you are moving to mobilize them and transform your vast potentials for power into a real instrument so that they can support you when you need them?

Yes. Before, I thought Filipinos would like to do their own thing. I felt that we had gone through a lot and we would want to be free in expressing ourselves and to do things the way we want them. Now when people tell me "what do you want us to do," I say "so, Filipino people probably really want to be told." Before that, here we all wanted to be free and I respect everyone's capacity to be able to think things out for himself or for herself. But I suppose it is really necessary to have somebody tell you, "Okay, Doro, this is what I would like you to do and

Teddy this is what I would like you to do so that together all can be working as a unit." I think the best example now is my present Cabinet because before that, all I was thinking was, let me get the top men or women...the best available talents. But now I realize it is very necessary to get team players—people who may not necessarily be at the top—but more important, be able to coordinate with the others and support one another in the national effort.

Are you now ready to organize a political party?

No.

Why not?

I think the reason why the people believe in me is, somehow, the image of a politician is still not very attractive. You know, when people talk to me and they tell me "because you are not a politician" ...here I am, a President, but I am not considered a politician. But aside from that, we have a multi-party system now and can you imagine if I will form my own party? How would the other leaders of the other political parties feel? It's as if I want everything for myself.

At this moment I am not even too clear yet what it is we could work on, but I know there are many people who would like to be identified with me but not belong to a political party. I seem to attract non-politicians.

This is my impression that the non-politicians would like to be part of an organization where not only elections are talked about but the entire Filipino life. How does one contribute to improving or bettering the life of the Filipino and not necessarily just through elections? In other words, it's a year-round effort. It is not confined to just elections.

Besides I'm just good for one term, Doro, so what's the use of my forming a political party? There are enough political parties and I think if people just want to be part of a political party, they can have a wide choice. Now, if they want something aside or in addition to involvement in politics, then that is where I could lead them.

I was thinking, you need a vehicle to articulate your political values on which your platforms, your programs could be based, then you could probably have a better definition. A definite appeal, an effective means of mobilizing real support behind your government.

Yes, Doro, but it can't be a political party because here we are already so divided.

Is your government moving to the Right? That is the perception by a number of people.

I'd like it to be as Center as possible. Doro, when Ninoy was in prison, Marcos was always saying either you choose Marcos or else you go to the communists. It seemed that you only had two options and Ninoy would

always say he wants to be the alternative. He does not have to be the radical Left or the ultra Right but there is a Center and I intend to make the Center as strong as possible. Of course, once in a while you veer slightly to the Right but not really always in that position. All of us change and whatever will be for the betterment of this nation, that's what we do.

Laurel Willing To Lead Country After Coup
*HK200513 Manila Far East Broadcasting Company
in English 2300 GMT 19 Oct 87*

[Text] Vice President Salvador Laurel said yesterday [19 October] he is willing to help lead the country if a military coup topples the Aquino government. However, he said he will accept the leadership only on condition that the military who seize power relinquish their hold on the government and return to their barracks. The vice president declared this at a luncheon press conference where he also announced that he and Senator Juan Ponce Enrile are working on a tactical alliance. According to Laurel, the military may want a vice president to use as a front in the event of a coup, but that set-up is not acceptable to him because that will not be a real succession but only a front [as heard]. In his talk with newsmen, Vice President Laurel blamed President Aquino's indecisiveness for the country's situation and the threats posed by soldiers and the communist rebels. However, he expressed hope that Mrs Aquino will make the right move so her administration will succeed.

Concerning his tactical alliance with Senator Enrile, he said the move is in preparation for the January 18 election, and not to oppose the president.

Former President Warns of U.S. Involvement
*HK201301 Quezon City MALAYA in English
19 Oct 87 pp 1, 6*

[Text] Former President Diosdado Macapagal is warning of more attempts by military groups to seize power from President Aquino, and is hinting that the United States might be involved.

"It is our view that until the Reagan government is satisfied with prospects of its bases after 1991," Macapagal told members of the Rotary Club of Makati Central last Friday, "the coups and destabilizing acts will not cease or subside into insignificance."

Macapagal asked the government to start top-level talks to update bilateral relations with the U.S.

But before the proposed talks begin, he said, the American government should first lay off the armed forces, including soldiers involved in coups and mutinies and those who served the former regime, and should do nothing except to fulfill aid commitments.

The hands-off posture is needed to dispel any doubts that the U.S. authorities or agents are encouraging coups or acts of destabilization to exert pressure on President Aquino on behalf of American interests, he said.

The former president also said the U.S. is expected to employ its leverage "to the utmost necessary" to protect its interests.

While the U.S. has considerable interests to secure in the country, Macapagal said, it also has strong influences on the fractious armed forces and politicians.

He said the success of the talks could solve the country's problems such as politicization of the military, the restructuring of foreign loans and economic recovery, and the communist and Muslim insurgencies.

The talks could also find solution to check the "politics-addicted military mutineers" who, he said, "present the "most lethal and malevolent" problem.

Next year, representatives of the American and Philippine governments will start renegotiations on the RP [Republic of the Philippines]-U.S. Military Bases Agreement. The talks will decide the fate of the Clark Air Base in Pampanga and Subic Naval Base in Zambales after 1991.

U.S. Ultra Rightists Said to Back Opposition
*HK200042 Quezon City MALAYA in English 18 Oct 87
pp 1, 7*

[by Benjie Guevarra]

[Text] Ultra-rightist groups in the U.S. with close ties to the government are behind ongoing efforts of Vice President Salvador H. Laurel and opposition Sen. Juan Ponce Enrile to forge a tactical alliance under the Nacionalista Party, according to a top official of Enrile's party, the Grand Alliance for Democracy [GAD].

The GAD official, who requested anonymity, said the Laurel-Enrile alliance plan was proposed by several "think tanks" working for the U.S. State Department and Pentagon which pointed out the need for a united opposition as an alternative to President Aquino should she step down or be toppled from power.

The proposed merger of Enrile's and Laurel's forces, however, threatens to split the GAD. At least six of the party's defeated senatorial bets refuse to align with Laurel or join the NP, he said.

The GAD official said among the GAD frontliners who would likely remain with GAD in the event of a revitalized NP emerges are Eva Estrada-Kalaw, Francisco Tatad, Wilson Gamboa, Abul Khayr Alonto, Rene Espina and Zosimo Paredts.

Those who are expected to join Enrile are fellow Senate bets Homobono Adaza, Isidro Rodriguez and Rafael Palmares, head of the NP faction, of which Enrile is a member, affiliated with GAD.

GAD chairman Vicente Puyat, owing to personal differences with Enrile during the senatorial campaign, may join the merged NP if Laurel becomes its head, but may remain with GAD if Mr. Enrile should lead the reunified party.

The official said the message for the opposition to "pull your act together" was conveyed to at least five GAD leaders who recently visited the U.S. on the invitation of U.S. State Department and Pentagon officials.

The information, who declined to identify the American officials who facilitated the U.S. trips following the May 11 polls, said he does not know if Laurel and other officials of his United Nationalist Democratic Organization were also invited to brief U.S. officials on their assessment of the local political situation.

Adaza went to the U.S. in July to denounce what GAD claimed to be computerized cheating during the last elections which led to the land-slide victory for the pro-administration Lakas ng Bayan coalition. Only Enrile and partymate Joseph Estrada survived the opposition poll slaughter.

Adaza went back to the U.S. a month later, this time joined by Tatad, Alonto, Espina and Gamboa, the source said.

Gamboa, a former deputy defense minister, was invited anew shortly after the failed Aug. 28 coup to brief the same U.S. officials on the military situation.

Puyat earlier confirmed the three U.S. trips but did not say who invited his colleagues. He also made no reference to the American officials' message to the NP factions.

Malaya has been unable to get Puyat and the other GAD leaders to comment on the U.S.'s alleged request. A person at Puyat's Quezon City residence told *Malaya* the defeated senatorial bet was out of the country.

Laurel and GAD campaign manager Rene Cayetano had separately confirmed the ongoing talks between representatives of the vice president and Enrile on the merger plan, saying a possible alliance would be in preparation for the local polls.

The GAD official said, however, that the tactical alliance has already been worked out and that Laurel and Enrile are only waiting for signals from their U.S. supporters to make the announcement.

Under the plan, Rodriguez, son of the late Senate president and NP stalwart Eulog that the tacticaio "Amang" Rodriguez, would be named president of the new NP, the official said.

Another Coup Plot Said Uncovered by Military

*HK201359 Manila Radio Veritas in Tagalog
1230 GMT 20 Oct 87*

[Text] The military has uncovered another coup plot organized by the groups of PC ex-Major Reynaldo Cabauatan and Colonel Gregorio Honasan. Here are the full details from Captain (Adi Agbay) of Camp Aguinaldo.

[Begin recording in English] The Recom [Regional Command] announced the discovery of another coup plot by Cabauatan and possibly together with Honasan to overthrow the government, with the distribution last night of [word indistinct] badges and countersigns during a planned attack on government targets. Those given badges, including policemen and civilians, turned them over to the authorities instead. They said the badges given were accompanied with some money ranging from P20, P50, and P400. We learned that Cabauatan allegedly received P100,000 for distribution but he only spent P11,000 and pocketed the rest. Policemen who were given the money and badges can return or surrender the badges to their superiors, while civilians could turn them over to their local officials. Those who will be caught having these badges could be questioned for having them in their possession. Another countersign, a red rectangular shaped cross, is to be distributed soon and will be used by members of the assault group who are actually composed of criminal elements who are being paid by Cabauatan's supporters. A member of the group called up by telephone and confirmed that he is not being paid and that some of the countersigns have been distributed. The military is prepared to neutralize all the possible assault plans being hatched by Cabauatan and even Honasan's group. The units and regions are also prepared to counter any move by the group. The [words indistinct] are now being raided in Manila and adjoining areas in the metropolis. This is the statement of Colonel Oscar F. Florendo, Philippine Constabulary, at the Office of the Public Information Service on 20 October, 1987. [end recording]

Controls Announced on Aquino Press Coverage

*HK211115 Hong Kong AFP in English 1009 GMT
21 Oct 87*

[Text] Manila, Oct 21 (AFP)—President Corazon Aquino's out-of-town trips will no longer be announced and stricter press guidelines are to be followed, because of threats against her life, her spokesman Teodoro Benigno said Wednesday.

"You will just be informed on a certain morning or a certain afternoon to go to a certain place where a vehicle will take you without knowing where you're going," he told reporters after a weekly cabinet meeting at the palace.

The announcement was greeted with bursts of laughter and comments that covering the president had become similar to covering clandestine news conferences of rightwing rebel leaders, who usually meet journalists in secret locations. Banned leftwing leaders have done the same thing for years.

Mr Benigno said that if anyone leaked Mrs Aquino's schedule or "if there is any violation by anybody, that somebody will be taken out."

The move followed Mr Benigno's disclosure last week that forces loyal to renegade colonel Gregorio Honasan, who led a bloody takeover bid in August, were out to kill Mrs Aquino, prompting the presidential security force to exclude the press from her visit to Bulacan Province north of here Thursday.

Presidential press corps president Joel Paredes said the new arrangement was "very annoying, but we can't do anything if they say it's for security."

'Large Firecracker' Explodes in Congress
HK200249 Hong Kong AFP in English 0246 GMT
20 Oct 87

[Text] Manila, Oct 20 (AFP)—A large firecracker exploded Tuesday in an empty conference room of the House of Representatives, creating a brief bomb scare here after a radio station reported the incident, officials said.

"It's not really a bomb. It's just a firecracker," a House security official who asked not to be named told *Agence France-Presse*.

"There's really nothing to be alarmed about," he said after a radio station flashed a report about a mysterious blast at the House.

Investigators recovered powder and paper at the scene, indicating that the explosive was merely a firecracker, he said. The plywood panelling of one wall was cracked by the blast, the official added.

There were no immediate suspects.

The incident occurred six days after a bomb exploded at a Japanese-owned luxury hotel in another part of the capital, injuring five Filipinos as security forces were on alert for a feared repetition of the bloody coup attempt in August. The House complex is located in suburban Quezon City. The smaller senate is located in central Manila.

Woman Suspect Arrested

HK201145 Manila Radio Veritas in Tagalog
1000 GMT 20 Oct 87

[Text] An explosion reportedly took place in the Lower House building, ripping telephone lines in one conference room. However, according to Juan Lontoc, special assistant of the office of the sergeant-at-arms, the explosion was caused by a firecracker. The incident occurred at around 0800 this morning and investigations are still going on.

However, a source from the office of a representative told RV [Radio Veritas] News that a woman was arrested for allegedly trying to plant a bomb in one of the rooms in the assembly building last Monday. The news was kept from reporters so as not to cause panic among the people. The woman is still being questioned.

Speaker Dismisses Bomb Threats

HK210417 Baguio City Mountain Province
Broadcasting Company in English 0330 GMT
21 Oct 87

[Text] Speaker Ramon Mitra yesterday dismissed the bomb threats on Congress as the work of pranksters. In an interview with newsmen Mitra said several congressmen and congress security officers have received telephone calls that the Batasan building will be bombed. He has also received reports that the congressmen will be taken hostage, Congress being the authority that grants the President the power to proclaim martial law. Mitra said they have stopped being alarmed. These coup talks, he said, emanate from people who could not even be seen, they are in hiding. According to Mitra, the rebels are aware that Manila is hostile to them.

Military Identifies 68 August Coup PLOtters

HK200258 Manila MANILA BULLETIN in English
18 Oct 87 pp 1, 20

[By Roy Sinfuego]

[Text] The board of officers of the Armed Forces of the Philippines (AFP), headed by Brig. Gen. Hermogenes Peralta, found Col. Gregorio "Gringo" Honasan and 67 other military officers to have actively participated in the Aug. 28 failed coup attempt, Camp Aguinaldo said yesterday.

Col. Oscar Florendo, AFP spokesman, said that because of their participation in the coup attempt, Honasan and 67 other officers may be penalized under Article of War No. 67 for mutiny and Article of War No. 96 for conduct unbecoming an officer.

The board of officers, Florendo said, recommended that the cases of Honasan and the 67 other officers be referred to the Judge Advocate General's Office [JAGO] for pre-trial investigation.

Gen. Fidel V. Ramos, AFP chief of staff, has approved the board's recommendation, Florendo said.

If the JAGO finds sufficient evidence against the 68 officers, they will be tried by a general courtmartial, he added.

In a report to Ramos, Peralta said that the findings of the board showed that Honasan organized and led the Aug. 28 mutiny that began in Fort Magsaysay, Nueva Ecija, and ended in Camp Aguinaldo, Quezon City, after rebel forces were routed by government troops.

The other officers, who actively participated in the coup, were identified by Peralta as Maj. Rodolfo Lazaro, assistant commandant of the Philippine Army's Special Operation School (SOS) at Fort Magsaysay, and Capt. Ernesto Lasco, head of the Scout Ranger department of the SOS.

Peralta said Lasco had instructed Capt Roque Calague to report to Capt Fausto Dantes for a "coordinated movement" from Fort Magsaysay to Metro Manila.

Lazaro, Lasco, Calague, and Dantes were identified by Peralta's report as the officers who were with Honasan.

Capt. Fidel Legasaldi was identified as the officer who distributed to the rebel troops patches of small Philippine flags that were placed on the soldiers' uniforms with the red on top, Peralta's report said.

Capt. Redentor Tiasa was found to have led the attack on Malacanang, the report also said. Later, Tiasa's group withdrew and moved to Camp Aguinaldo.

Eleven other officers were found to have led companies of soldiers who constituted the blocking forces deployed in various areas during the attack. These soldiers later regrouped at Camp Aguinaldo, the report said.

Florendo said there were 2,000 officers and men who actually participated in the mutiny.

Col. Aniano Desierto of the JAGO said the appearance of Honasan and the other officers during the filing of charges is not necessary.

However, their presence is necessary in the trial which cannot be held in absentia, Desierto added.

He said Honasan and the 67 officers listed in the complaint sheets submitted to the JAGO must be captured first or surrender before they could be tried by a general court-martial.

Florendo said there will be a long delay in the pretrial investigation proceedings because of many respondents.

Pretrial Probe Approved

HK200641 Manila Far East Broadcasting Company
in English 2300 GMT 19 Oct 87

[Text] Armed Forces Chief of Staff General Fidel Ramos approved for a pretrial investigation the case against 23 officers, including an Air Force Brigadier General, linked to the August 28 failed coup attempt. With the exception of two Navy captains, the rest of those charged were Air Force personnel, headed by Brigadier General Federico Pasion, former Air Force vice commander. They were charged with violation of Articles 58, for mutiny or sedition; 67, conduct unbecoming of an officer; and 97, acts bringing discredit to the military service. Other respondents are Navy Captains Proceso Maligalig and Felix Turingan, Colonel Hector Tarasola, Lieutenant Colonels Tito Legazpi, Dante Bernabe, Armando Paulino, and Francisco Paula, Majors Alan Querubin and Lorenzo Nuestro, Captains Rogelio Seradon, Dionisio Ballesacan, Renato Batacan, and Pedro Honrade, First Lieutenants Dominador Castillo and Belarmino Mular. The mutineers were alleged to have had Major General Antonio Sotelo, Air Force chief, under siege by occupying a (490) motor transport service inside Villamor Airbase and placing armed guards at all the gates of the base and providing helicopter service to rebel officer Colonel Gregorio Honasan.

Manglapus Interviewed on Foreign Policy

DW191321 Frankfurt/Main FRANKFURER
RUNDSCHAU in German 19 Oct 87 p 9

[Interview with Philippines Secretary of Foreign Affairs Raul Manglapus by Juergen Dauth; date and place not given]

[Text] *Frankfurter Rundschau*: Senator, you talked about a new scenario in the balance of power of the superpowers—the Soviet Union and the United States. What do you mean by that?

Manglapus: First, relations between the Soviet Union and the United States have entered into a new phase since Gorbachev. In view of Moscow's far-reaching peace policy concessions, we can no longer talk about the nightmare of a permanent global threat posed by the Soviet Union to the free world. Second, viewed from a regional angle. The PRC has taken a new position in the international scenario. Those facts should cause us, the non-communist states in Southeast Asia, to reconsider our security policy concept.

Frankfurter Rundschau: Does that mean that the U.S. bases in the Philippines are no longer necessary?

Manglapus: We cannot formulate it that categorically. It is still necessary to maintain the balance of power. The contribution that has to be made in that respect is, however, a regional responsibility which has to be taken as seriously as the endorsement by the region of a "zone

of peace, freedom, and nonalignment" laid down in the 1971 declaration of the ASEAN members. Seen that way, it would be inconsistent for the Philippines to have to bear the main burden.

Frankfurter Rundschau: Senator, I assume you are addressing the presence of U.S. bases in the Philippines. The agreement on military bases is a bilateral affair between Manila and Washington. What do your ASEAN neighbors have to do with it?

Manglapus: The U.S. presence in the Philippines is above all a historical consequence. In view of the Philippines' forthcoming national independence, the Hare-Hawes-cutting and Tydings-McDuffie initiatives in the U.S. Congress in 1930 at first envisaged the Philippines' permanent neutrality. World war II and in its wake the change in the global balance of forces have made that concept obsolete. The U.S. bases have been kept in the Philippines to guarantee the continuation of the Philippines democracy.

Frankfurter Rundschau: What has changed about the scenario?

Manglapus: That is obvious. The U.S. weapons and missiles are not targeted at the internal enemy that is really threatening the Philippines. The U.S. bases did not prevent dictator Marcos from assuming power. They also are not aimed at the new communist People's Army and even less at the insurgents who intend to destabilize the current government. Washington has always considered those realities as the Philippines' internal affairs. No, the U.S. defense force in the Philippines is aimed at the Soviet bases in the Kuril Islands and Indochina. Under the impression of the forthcoming negotiations on military bases, the U.S. Information Service has meanwhile admitted that the U.S. bases would have to be maintained as an instrument of regional military deterrence beyond 1991.

Frankfurter Rundschau: How do the other ASEAN capitals view that assessment? They dismantled their military bases, as you know.

Manglapus: I see in our neighbors' attitude a certain ambiguity. In 1975 Indonesia, Thailand, and Singapore said that they considered the United States' military withdrawal from the region to be a serious move. The PRC now shares that view. Now that the purpose of the bases has become clear they have ceased to be an internal affair of the Philippines.

Frankfurter Rundschau: What would be the consequences? The bases are in the Philippines, are they not.

Manglapus: They are in the Philippines because we are the only nation in the region to have agreed to the presence of such bases. However, if you read the U.S. Information Service's geostrategic map carefully, you will find that the regions that are important in security

policy terms are around Lombok, in the Sunda Straits—both Indonesia—and in the Straits of Malacca bordering on Malaysia, Singapore, and Indonesia. The Soviet naval forces are operating from Cam Ranh Bay in Vietnam North of Borneo, and not in the Philippines. That means that in the interests of regional stability, a regional consensus has become necessary on the presence of foreign military powers in Southeast Asia. But there is nothing at all in that respect. We do not even have a common strategy.

Frankfurter Rundschau: What could such a strategy look like?

Manglapus: We, the Filipinos, have to make our own decision before 1991. And this internal discussion will split our nations. There will be clashes between the opponents and proponents of U.S. bases, and that will possibly destabilize the domestic situation. Are we supposed to bear that burden alone? If the Filipinos are split over domestic policy issues, that will have consequences for our neighbors' domestic policy developments as well as for regional developments in general. To prevent that, ASEAN will have to accept the U.S. bases in the Philippines collectively as our common responsibility. However, that requires the public confirmation by our neighbors that they, too, recognize the bases as regional deterrence.

Frankfurter Rundschau: Are you considering the removal of part of the bases to the neighbor countries in the region?

Manglapus: Why not? That would be possible. But the most important thing for the moment is our common political responsibility. However, if our neighbors were to arrive at the conclusion that the bases are no useful argument of negotiations with the Soviet Union and are not conducive to the optimum goal of regional neutrality and a regional zone of peace, they should support our urge for a withdrawal of the United States to its Pacific islands.

Frankfurter Rundschau: And how will your neighbors decide, do you think?

Manglapus: I can only speak on behalf of the Philippines. And we know what we want.

Opposition Warns Government on Soviet Pacts
HK201245 Manila MANILA BULLETIN in English
19 Oct 87 p 37

[Text] The opposition Union for Peace and Progress-Kilusang Bagong Lipunan (UPP-KBL) warned yesterday the Aquino government against "playing footsie" with the Soviets who are out to exploit the country's economic woes just to get a political toe-hold in the country.

Former Speaker Nicanor Yniguez, UPP-KBL president, issued the warning in reaction to reports that the government was ready to enter into economic cooperation agreements with the Soviets.

Efforts to reach such agreements were stalled by Vice President Salvador Laurel, who has resigned as secretary of foreign affairs.

Yniguez cited one of the seven proposals of the Russians as one "that carries suspect motives." The offer is the payment of \$30 million annual fee for the use of the government shipyards in Batangas, Olongapo, and Cebu for the repair of USSR vessels.

"If the plans go through, we would open the Philippine doors to subversion, Yniguez said as he cited reports of sighting of Russian submarines around the archipelago and the suspected landing of arms and Marxist indoctrinators for the rebels.

"Beware of Reds bearing gifts," Yniguez said in airing suspicions that the Russians were only interested in neutralizing the presence of American military and economic might in the region.

Preparation for U.S. Military Talks Begins
HK170917 Manila MANILA BULLETIN in English
17 Oct 87 pp 1, 19

[By Philip Evardone]

[Text] Senate President Jovito R. Salonga said yesterday that "as long as we are destabilized by the extreme 'left' and 'right', and our economy is prostrate," the Philippines' bargaining power in the renegotiation of the U.S. military bases agreement is quite weak.

In a meeting with Senate newsmen, Salonga said steps are being taken by the Senate foreign relations committee to "sufficiently prepare" the Philippine government before it faces its U.S. counterpart at the negotiating table starting April next year to review and renegotiate not only the U.S. bases, especially Clark Air Base and Subic Naval Base, but also all the military agreements between the Philippines and the U.S.

Sen. Leticia Ramos Shahani, Senate foreign relations committee chairman, said a study group of six individuals, mostly from the academy, is working on all aspects of the agreements, including all options open to the Philippine government.

Salonga said, however, that in the ultimate analysis, these will depend on the country's bargaining power.

He added: "If you have a weak bargaining leverage, while you may know all the options, you cannot do very much."

On the committee level, deliberations have begun on a joint resolution authored by Sen. Neptali A. Gonzales, creating a joint legislative-executive preparatory committee to review the 1947 military bases agreement, as amended in 1978 and 1979, the 1951 mutual defense treaty, the 1953 military assistance agreement, and other security arrangements between the Philippines and the U.S.

Senate minority floor leader Juan Ponce Enrile, who, together with his counterpart in the House, was included as a member of the preparatory committee, said he will wait for the stand of the majority.

His role, he said, is basically to scrutinize them.

The new Constitution provides that "after the expiration in 1991 of the agreement between the Philippines and the U.S. concerning military bases, foreign military bases, troops, or facilities shall not be allowed in the Philippines, except under a treaty duly concurred in by the Senate, and when the congress so requires, ratified by a majority of the votes cast by the people in a national referendum held for that purpose, and recognized as a treaty by the other contracting state."

The Philippine panel will also be guided by Article II of the Constitution particularly section 7 which reads: "The State shall pursue an independent foreign policy. In its relations with other states, the paramount consideration shall be national sovereignty, territorial integrity, national interest, and the right to self-determination."

Salonga Says Position 'Weak'

BK170423 Kuala Lumpur BERNAMA in English
0356 GMT 17 Oct 87

[Text] Manila, Oct 17 (OANA-BERNAMA)—Senate President Jovito Salonga says the Philippines suffers from a weak bargaining position with the United States on the bases issue because of its prostrate economy and the destabilisation attempts by extremists.

Ultimately, the results of the bases review will depend on our bargaining leverage, he told reporters Friday night.

The government has been preparing for the renegotiations next year and has undertaken extensive studies on all possible options.

Former President Diosdado Macapagal, meanwhile, asked the Aquino government to start top-level talks to update bilateral relations with the United States.

He told members of the Rotary Club of Makati Central the success of the talks could solve the country's problems, such as the politisation of the military, the restructuring of foreign loans and economic recovery and the communist and Muslim insurgencies.

US Ambassador Nicholas Platt, who held his first press conference at the National Press Club Friday, said a constitutional provision providing for no-nuclear weapons in the country was compatible with the presence of the U.S. military bases.

Platt also said he was not concerned about a bill filed by Senator Wigberto Tanada banning all nuclear weapons inside Philippine territory, pointing out that it is only a bill.

Earlier, the Senate Committee on Foreign Relations decided to support a resolution creating a Joint Legislative-Executive Preparatory Committee to review the country's various military agreements with the US. These include the 1947 Military Bases Agreement [MBA], the 1951 Mutual Defence Treaty and the 1953 Military Assistance Agreement.

The formation of the Preparatory Committee was deemed necessary in the light of several constitutional provisions that put in question the future of American military bases in the Philippines.

The Constitution provides that after the expiration of the MBA in 1991, no foreign troops, bases or facilities may be allowed in the country except under a treaty duly concurred by the senate and may be ratified by majority vote of the people in a national referendum.

Before the proposed bilateral talks begin, Macapagal said American authorities should first lay off the Armed Forces, including soldiers linked to coup attempts, except to fulfill aid commitments. [sentence as received]

This serves salutarily to erase any iota of doubt that the American authorities or agents are not participating in or encouraging coups or acts of destabilisation or exert pressures on the Aquino government on behalf of American interests, he said.

Platt said the no nuclear weapons provision in the Constitution is compatible with the presence of US military bases in the country.

Platt said it is his government's hope to have the Military Bases Agreement renewed after its expiration in 1991.

We hope not to leave. We will try to work out an arrangement with your government, Platt said.

Platt also said if the Philippines and US Governments cannot work out an arrangement for the bases we (the U.S.) will leave.

Ramos Proposes Increase in Defense Budget
BK201253 Quezon City RPN 9 Television in English
1030 GMT 20 Oct 87

[Text] The threat to national security coming from the communist insurgents, Muslim rebels, and misguided military elements has increased by as much as 48 percent since the 28 August coup.

This disclosure comes from Armed Forces chief General Fidel Ramos and for the details, here is Dodie Lacuna.

[Begin recording] [Lacuna] Ramos together with Defense Secretary Rafael Ileto appeared before the Senate committee on finance to justify a proposed 3-billion peso increase in the defense and military budget for next year. But the more serious threat to national security has always been the insurgency and quashing it, according to Ramos, will mean a bigger budget to increase the operational capability of the military by 15 percent. Calling for a total national and sectoral efforts, Ramos also urged for the imposition of the death penalty and for stiffer penalties against rebellion.

But it seems that the military will get more than what they bargain for. Senate's finance committee chairman Senator Neptali Gonzales said the budget department has in fact submitted a new budget proposal, which is 300,000 pesos [figure as heard] more than the proposed defense budget of 13.6 billion pesos,

Gonzales concedes the necessity of including in the national budget two major items in the U.S. military assistance, namely foreign military sales and the grant in aid.

[Gonzales] We feel that they should now be part of the budget, otherwise, in official public funds, and no money should be paid out of the public treasury except in pursuance of appropriations made by law. [words indistinct] what they claim, they cannot put it in the budget as a regular item because you know the appropriations by Congress and therefore, the release of this amount will be on the basis of the best effort provision of the military bases agreement as a mandate. That's on top of the regular military budget.

[Lacuna] The lack of modern military hardware and the low salary scale remains to be the major concerns of the armed forces, which has been constrained by insufficient funding to cope with the communist insurgency.

Military leaders complained that the general decline in the military budget, which has gone down from 27.3 percent of the national budget in 1974 to 7.2 percent in 1987. The immediate consequence as the military budget continues to drop through the years has been the failure of the Armed Forces of the Philippines to respond to the needs of its officer and men. Studies have shown

that Filipino soldiers receive the least defense support fund in Asia. In such countries as Thailand and Indonesia, the governments spend 3 or 4 times as much for its military personnel.

28 NPA Rebels Killed in Bicol, Samar

HK200545 Manila Far East Broadcasting Company in English 2300 GMT 19 Oct 87

[Text] Twenty-eight communist NPA guerrillas were killed in fighting during the weekend in the Bicol Region and in Northern Samar. Five soldiers were also killed. The biggest NPA casualties were in Motiong, Northern Samar, where 18 guerrillas were killed in fighting following the ambush by some 100 rebels of an Army truck carrying a platoon of soldiers. Army reinforcements repelled the ambushers. Five of the troops were killed.

The fighting in Bicol saw eight NPA rebels killed in Barangay Malibago in Nabua, Camarines Sur, last Saturday. Two others were captured. The other NPA casualties were reported in fighting in Bagacay, Albay? and in Mobo, Masbate.

Over in Mindanao, another two mayors were killed in an ambush by a rebel band in Sultan Kudarat last Sunday. The slain mayor was Victor Donde of Lutaga town. His companion, Moris Abdul, was also killed. Mayor Donde was the second officer-in-charge killed in ambushes by rebels in Mindanao during the week. Last Saturday acting Mayor Sahib Piang of Datu Piang in Maguindanao was also killed in an ambush together with eight others.

Report on Effects of War on Bicol

HK200318 Manila THE MANILA CHRONICLE in English 17 Oct 87 pp 1, 7

['Conclusion' to 'Special Report' by Amando Doronila: "Military Cuts Off Bicol Rebels from Mass Base"]

[Text] Polangui, Albay (delayed)—The military offensive in Bicol has apparently sent the communist guerrillas on the run. The constant motion of troops endowed with mobility by modern military technology—i.e., helicopter gunships and armored vehicles—has not permitted the guerrillas to catch their breath and to hold town centers they have attacked.

But there have been no large and decisive military victories. The guerrillas sneak behind the tail of the offensive and have refused to give battle.

There is truth to the claims of the military commanders that the offensive is denying the guerrillas their mass base formed by the village people who till the soil upon which the rural economy is anchored. The guerrillas melt into the shadows of the village population and draw their supplies from the villagers either through levies or their sympathetic sustenance.

Further, there is evidence that the soldiers are now more restrained in firing indiscriminately against populated villages. This was the case in their military operations at Barcelona, Sorsogon. This, in part, explains why civilians are taking fewer casualties.

The other explanation is that the villagers have decided to flee the zones swept by the offensive in fear of being caught in the crossfire and, in some cases, according to some of the evacuees, to escape the guerrillas' 'taxation'. With villages emptied of people, production halts, depriving the guerrillas of their source of supplies. So, commanders told me, the Maoist doctrine of extinguishing the fish by draining the water is working against the guerrillas in a perverse fashion.

I interviewed one former guerrilla sympathizer who joined the evacuation to the camp at the Polangui parish church compound to find out why he had fled. Without identifying him, for reasons of not exposing him to retaliation, this evacuee, 40 years of age, with seven children, was a 'poste' at barrio Gamot, about five kilometers from the poblacion. 'Poste' is the name for an unarmed guerrilla supporter who looks after the new People's Army needs in the village, including watching military movements.

According to this 'poste', NPA collection was getting burdensome and heavier. He said that the guerrillas collected one peso and one cup of rice a week. Recently, he said, the guerrillas had required the villagers to collect two thirds of the coconut harvests, leaving a third to the landowners. This is a reversal of the usual one-third share of the tenants.

Whatever is the truth, the evacuation to the town center and the other evacuation camps has already created a social impact on the municipal resources. The maintenance of the centers, especially sustaining the evacuees with food, imposes a heavy strain on the municipality with its meager budget. Part of the burden of maintaining what virtually are now social parasites immobilized from productive activities by the war is borne by church and private organizations.

The glaring revelation of this evacuation from 10 barangays is that the National Government is not prepared to provide the services to maintain the center. The military offensive may have denied the guerrillas their mass base, but the government bureaucracy has not anticipated that a social problem has fallen into its lap, and no evacuation support program has been prepared.

Parallel to the evacuation, vigilante groups are sprouting, with encouragement from the military and municipal authorities, to defend the barangays from guerrilla attacks. Vigilante groups have been formed in barangays Sta. Cruz, Pentor, Cepres, Ponso and Subcab.

I visited the vigilante camp at Cepres, near one of the evacuation centers. On the way, we passed three checkpoints, manned partly by small contingent of troops, assisted by the CHDF (Civilian Home Defense Force).

In Polangui, the vigilantes are called 'Bantay ng Bayan,' (Guardian of the People). At the gate of the camp on the foot of a hill, a streamer cut from a plastic rice bag had the slogan 'Democracy is the best policy. Better dead than communist. NPA takot sa Alsa Masa.'

The Alsa Masa, which began in the Davao provinces, seems to be their model, although the vigilantes and town officials said they derived the inspiration from the film 'Also Masa'. The movement here was organized last August following NPA attacks. There are 70 vigilantes protecting Cepres with its 2,000 inhabitants.

Their leader, the barangay captain named Pascual Baronia, 38, a carpenter with five children, said that they formed the vigilantes mainly to stop guerrilla tax collection. The main product of the barangay is coconut, with rice and sugar cane as secondary crops.

Baronia, who was wearing an ammunition belt when interviewed, said that his men were armed by the military with mixed weapons including old Garand rifles. They were trained by the military for combat for two weeks. This was followed by meetings in the barangay in which the inhabitants were given teachings about the evils of communism.

The vigilantes were not paid. Baronia said that they were not exacting support from the villagers but that they had appealed for food supplies.

What is revealing is that Baronia was a local leader of the Polangui mayor, Romy Gonzales, a proclaimed anti-communist. He acts as the patron of the vigilantes in their request for more arms and supplies. Here, the clientelist pattern of social relationship which forms the basis of local political alliances is at work.

The mayor claims he is loyal to the Government, being part of the local political infrastructure. Baronia declares loyalty to the mayor. In effect, the vigilantes are beholden to the mayor and owe him loyalty. In the face of the forthcoming local elections, they are essentially the mayor's private army whose loyalty can be switched wherever the mayor goes.

This rural alliance may also be the pattern of clientelist formations in other places where vigilantes are being organized to fight insurgency. Polangui serves as the microcosm of this clientelist relationship which is a traditional system of political relationship in the Philippines. But since the vigilantes are armed, it is more difficult to control them. In Polangui we are witness to the fragmentation of centers of authority at the bottom of the Filipino social structure.

NDF Denies 'Smuggling of Foreign Agents'
HK200304 Manila PHILIPPINE DAILY INQUIRER in English 18 Oct 87 p 2

[by Manny Vent Cornel]

[Text] Dagupan City—A spokesman of the National Democratic Front here has denied the reported "smuggling or importation of foreign agents" as claimed by Pangasinan PC commander Col. Romeo Odi, even as he reiterated that the backbone of the New People's Army in the province has not been broken.

Vergel Ramos, NDF Pangasinan spokesman, told newsmen that "to leave no room for doubts, we would like to state categorically that importation or smuggling of foreign advisers or agents is not a part of the policies or programs of the revolutionary movement."

Ramos said "the NPA guerillas and our revolutionary cadres are all indigenous forces, all of whom are products of our standing policy on self-reliance."

The NDF spokesman said contrary to claims by Odi, the NPA leadership and rank and file in the province are intact and continue to wage its revolutionary war.

"Obviously not contented with his much publicized claim on the CPP [Communist Party of the Philippines]-NPA breakdown, Col. Odi would like again the public to believe that the smuggled foreigners they nabbed were communist agents," Ramos said.

The NDF spokesman said that according to his sources, the alleged communist agents who were arrested by Odi's men were really Taiwanese smugglers apparently "conducting an ocular inspection of a site where they can land their cargo in the future."

Cordillera Slaying May Lead to Tribal War
HK180710 Quezon City MALAYA in English 17 Oct 87 pp 1, 4

[by Joey Salgado]

[Text] The killing last week of a respected Kalinga tribal leader by members of the Cordillera People's Liberation Army [CPLA] under former rebel priest Conrado Balweg could spark a tribal war, the Cordillera Peoples' Alliance [CPA] said yesterday.

The CPA said the intrusion of Balweg's group into the traditional peace meeting could lead to a breakdown in the talks, and force the four tribal heads to declare war on each other.

CPA officials said in Manila that leaders of four Kalinga tribes would meet next week to discuss the killing of Daniel Ngaya-a, head of the Cordillera Bodong Association, and leader of the Tanglag tribe.

Also attending the meeting are heads of the Butbut, Mangali and Lubo tribes, whose tribesmen were allegedly involved in the Ngaya-an slaying. The butbut and Lubo tribes are considered "warrior tribes," and have been involved in several tribal wars in the past years.

The CPA identified Ngaya-an's killers as Sagmayao Appag, Ma-en Dupali and Ignacio Sibayan, all members of the CPLA.

Ngaya-an has been a staunch critic of Balweg, who broke away from the communist New People's Army and formed the CPLA.

Balweg justified the slaying of the 60-year-old tribal chief, saying it was in retaliation for an ambush staged by NPA rebels on a CPLA convoy last June, which killed one of his top aides, and six others.

Ngaya-an was head of the CBA [Cordillera Bodong (peace pact) Association], an influential group of some 50 Cordillera tribes and a respected peace pact holder in the region. He succeeded Kalinga leader Macling Dulag, who was killed in 1981 for his alleged opposition to the construction of the Chico river dam.

In a separate statement, Rep. William Claver of PDP-Laban (Pilipino Democratic Party-lakas ng Bayan [Nation's Strength]), Kalinga Apayao said the Aquino government has indirectly encouraged Balweg into killing Ngaya-an, and going after his critics.

"Everybody, including the president, was forewarned that an incident such as the murder of Ama Ngayaan was bound to happen in the Cordillera," Claver said.

He added that civilian and military officers who support the CPLA "are accomplices in whatever crimes Balweg commits."

Various cases of human rights violations have been blamed on the CPLA by human rights groups in the Cordilleras. A pact-finding mission which was supposed to investigate the killing of Ngaya-an was harassed by the CPLA, they said

Labor Heads Oppose 5-Year Strike Moratorium
HK190321 Manila Far East Broadcasting Company in English 2300 GMT 18 Oct 87

[Text] Organized labor yesterday [18 October] declared their opposition to a government proposal for a 5-year moratorium on strikes. Labor leader Bonifacio Tupas, who is [word indistinct] chairman of the Labor Advisory and Consultative Council, said the proposal is contrary to the constitutional mandate. Tupas and other labor leaders said they will oppose the move and protect the gains achieved by the labor front for the past many years. They noted that the constitutional provision on the rights of labor provides the right to organize and air

grievances through legitimate actions. The strike moratorium was proposed by Trade and Industry Secretary Jose Concepcion Jr. According to Press Secretary Teodoro Benigno, the government, management, and labor are drawing up the moratorium proposal and a breakthrough is expected. The proposal aims to attain industrial peace for the country, uplift the economic conditions of the people, and speed up the economic recovery of the nation.

In Cebu City meanwhile, Trade and Industry Secretary Jose Concepcion has reiterated a proposal for a 5-year voluntary moratorium on strikes to hasten national economic recovery. However, the proposal was quickly opposed by Cebu's conservative and militant labor unions. Concepcion cited such a moratorium agreement between management and workers of firms operating in the government-run Mactan export-processing zone. Leaders of Cebu's two biggest rival labor organizations, the conservative Associated Labor Union [ALU] and the Kilusang Mayo Uno [KMU—1 May Movement] appeared in a government prime time television program later in the evening, where they joined hands in opposing the proposal. KMU central Philippines spokesman Armand Alforque and ALU executive vice president Teofanio Ninez said a strike moratorium would only deprive workers of their only effective means to counter exploitation by management.

Police Dismantle Barricades
HK210805 Hong Kong AFP in English 0745 GMT 21 Oct 87

[Text] Manila, Oct 21 (AFP)—Police here Wednesday began dismantling union barricades at strikebound firms after President Corazon Aquino announced a hardline policy on leftwing labor groups.

Manila police chief Brigadier General Alfredo Lim told reporters that barricades were forcibly dismantled by police in cases where the strikers refused to remove them themselves.

The leftwing May First Movement (KMU) Wednesday said its strike barricades were being dismantled by police. It vowed to defend picket lines.

Police took apart barricades put up by KMU members in a popular Filipino restaurant, a Chinese restaurant and a supermarket in different areas of the capital.

No violent incidents were immediately reported.

Mrs. Aquino had vowed Tuesday to crack down on unions which violate the law and she devoted most of a cabinet meeting Wednesday to labor issues.

Labor strikes mushroomed nationwide after the February 1986 revolt that ended the 20-year authoritarian rule of Ferdinand Marcos. Many KMU-led strikes have taken on a political colour, angering officials and businessmen alike.

Local and foreign businessmen had complained about the government's failure to break up wildcat strikes and enforce official return-to-work orders.

The Manila police action came ahead of the formal launching of a special peacekeeping force, made up largely of police backed by the paramilitary constabulary, to enforce labor laws.

Labor Secretary Franklin Drilon said after the cabinet meeting that all barriers put up by workers to block access to their firms will be dismantled whether or not the strikes were legal, but "we will respect peaceful picketing."

Defense Secretary Rafael Ileto said "guns will be definitely out" for the peacekeeping force to be administered by the labor and defense departments.

Aquino Addresses Farmers Group in Malacanang
HK161501 Quezon City Sports Radio 738 in Tagalog
0900 GMT 16 Oct 87

[Speech by President Corazon Aquino during a meeting with farmers in Malacanang 16 October 1987 in observance of World Food Day—quotation marks indicate English passage—recorded, monitored in progress.]

[Text] "Secretary Carlos Dominguez, Senator (Ibal Diaz), fellow workers in government, distinguished guests", our dear farmers and fishermen. I am very happy to be with you this morning to honor the farmers of the whole world, most especially to honor the Filipino farmers in whose hands depend our nation's livelihood.

Before I was elected President, when I was still campaigning, I emphasized that the development of agriculture and the uplifting of farmers' livelihood will be my first priority. Some of the problems I am faced with are: the economic crisis, insurrection, unemployment, our huge foreign debts, and inadequate food provision especially for the youth. Most of these problems are rooted in small economic, political, and social problems of the past few years. But let us not pass on the blame, it is the time to find a solution to the country's problems. It is time to move and help in improving the livelihood of our farmers and fishermen. In this way they will be able to maximize the use their talents and our country will fully recover from its poverty. Unless peace and order is established nationwide, our goal to improve the livelihood in the provinces will be futile. In fact, the senseless destruction of bridges in the Bicol region has caused a delay in production and trade. The farmer's opportunity to earn more money was also affected. The solution to our problems rests in our unity. It is high time that our

national and provincial officials and the citizens cooperate. In so doing we will be able to attain peace. I believe that we can do this through peaceful means. It is true that more time is needed to solve our problems. But in the 19 months of the present administration there have been some notable achievements which can be the source of lasting peace and improvement in our livelihood.

First, we can say that after having restored democracy in our society we regained the people's trust in the government. You may hear criticisms circulating around against the present administration, but this is part of the freedom of the press. We were able to set up a new constitution, the Congress was reestablished, and an impartial Judiciary formed.

In the economic aspect, we were able to revive the economy in 1986 after many years of collapse. This was followed with further economic growth in the first 6 months of this year.

In agriculture, we have a clear goal, which is to increase the wages of farmers and fishermen as well as improvement in their daily livelihood. In order for this to materialize, the Department of Agriculture will carry out a program of action and will rely on your help and the help of other farmers and workers, and all those from the private sector. This program pertains to social justice in production and marketing. In order to attain social justice, the government's services will be geared toward the poor, for example the farmers in the mountains, poor fishermen, landless farmers, and national minorities. They will be the beneficiaries of the land reform program.

Regarding production, the government is upholding the care for our natural resources which are the sources of farming and fishing. The government, likewise, is facilitating its loan grants and extending its know-how and research to farmers.

Regarding the development of our market, we are putting emphasis on the development of roads, transportation, communication, and equipment needed after harvest such as storehouses. In general, this program is a patent scheme for farmers to help in the development of our country.

Regarding the problems caused by the drought, the Department of Agriculture is concerned about the decrease in production. Our rice reserves may not be sufficient to last us until June 1988. The months of July, August, and September yield the lowest harvests. In response to this, we are launching today a program to increase our rice production from November 1987 to April 1988 in the areas with water supply systems. This program will be carried out in 600,000 hectares of land in 67 provinces. It aims to add 13 cavan more of palay [unhusked rice] production per hectare to the present production of 65 cavan per hectare. This program includes additional use of fertilizer; more systematic

irrigation; teaching the farmers technical know-how; granting loans to farmers, both in small and medium scale enterprises, with the help of guarantee funds, i.e. Quezon Guarantee Fund Board and Philippine Crops Insurance Corporation. This will facilitate the granting of loans to farmers. The National Food Authority has to double up its efforts in buying palay during the harvest season. The campaign to boost the use of fertilizer is the most important aspect of this program. The farmers will be given 2 free sacks of fertilizers for every 2 sacks of purchase. As part of this program, fertilizer obtained from foreign countries will be distributed as well. However, everybody has to understand that this aid will last only from November of this year until April 1988.

Regarding those rice fields which do not have sufficient irrigation, the Department of Agriculture will extend help so that crops that do not need much watering will be planted. This help can consist in selling seeds at low prices. The agency will observe the activities of farmers and fertilizer businessmen in order to make sure that the fertilizers are properly used. The regional, provincial, and municipal networks will be utilized; as will the regional, provincial, municipal, agricultural, and city councils and the students of agricultural colleges so that this program will be carried out well.

As I have said earlier, the success of our initiatives depends on our strong unity which is the key to the attainment of our goals. Many of our fellow Filipinos have shed their blood in order for us to have this opportunity to start again. It is only proper that we make use of this chance. Your government is behind you, my dear farmers and fishermen. The government is ready to help you and give compensation to your hard work, so that you may augment your income and improve your life. It is prepared to carry out policies adapted to your needs, dialogue with you, distribute lands to the landless, teach you the technical know-how, grant loans, help in production needs and trade so that you earn enough. These are things which the government is carrying out on your behalf. You, our beloved farmers and fishermen, will be responsible in keeping this program going and help in the development of farming in our country. In your hands will rest the success of our economic recovery. Let us help one another in working for the good of our country. Thank you very much.

Emergency Rice Production Program Begins
HK180656 Quezon City MALAYA in English
17 Oct 87 pp 1, 2

[Text] The government yesterday started an emergency rice production program to avert an expected rice shortage resulting from the longest and most severe drought to hit the country in recent years.

President Aquino, leading the country's observance of the World Food Day, said the Production Enhancement Program [PEP] would be seen government agencies directly assisting agricultural production in more than 600,000 hectares of irrigated lands covering 68 provinces.

Agriculture Secretary Carlos Dominguez said the PEP is intended to increase the existing yield of irrigated rice-land by some 500,000 metric tons of palay—equivalent to 320,000 tons of milled rice. This volume would ensure enough rice supply for the country until the harvest season in the third quarter of 1988.

Through the PEP, which was described as a "one-shot" November-to-April rice production program, the government would provide the necessary farming aid to realize production of an additional 13 cavans of palay per hectare. This would be on top of the existing national average of 65 cavans per hectare.

Dominguez said such an additional production could be attained with the initial distribution of about 1.5 million 50-kilo bags of urea equivalent to 75,000 tons of the fertilizers donated by the Netherlands government.

The President said her government remained alarmed by the drought since the country's existing rice supply may only last until June next year if farmers continue to suffer poor harvests. The rice stock was initially intended to last until September next year.

"Let us not look for scapegoats. It is time that we found solutions to the nation's ills. It is time that we acted and assisted in elevating the plight of the farmers and fishermen to enable them to fully use their skills and help our country rise above poverty," the President said.

Some 70 farmers and small fishermen who held dialog with the President at Malacanang on the occasion of World Food Day, said their production is now also affected by the increase in prices of farm inputs. They could hardly avail themselves of agricultural loans from government.

The President, said that in the emergency program, she would step up guarantee funds for small- and medium-scale enterprises and would ask the Quezon Guarantee Fund Board and the Philippine Crop Insurance Corp. to improve their loan assistance programs.

She also directed National Food Authority Administrator Emil Ong to improve the buying of palay during the harvest season.

Ong told the President that they had already programmed the release of P1.7 billion for the purchase of palay, 60 per cent of which will directly go to Central Luzon and Western Visayas.

National Irrigation Administration chief Federico Alday also noted that they have already drawn up expanded irrigation projects in critical areas. In the Samar provinces, for instance, he said a five-year program involving 50 irrigation projects is now being worked out with a P47-million budget.

She assured the farmers that Congress is speeding up the enactment of a law setting the retention limit and scope of the Comprehensive Agrarian Reform Program.

Thailand

Stock Market Index Falls 36 Points 20 Oct
BK210002 Bangkok BANGKOK POST in English
21 Oct 87 pp 1, 3

[Excerpt] The SET [Securities Exchange of Thailand] index yesterday nosedived by 36.64 points, the biggest ever fall in the 12-year history of the Thai stock market, overwhelmingly surpassing the previous record of 16.17 points set after the market crash in 1978.

Bank of Thailand Governor Kamchon Sathirakun said yesterday that he might order the suspension of trading at the SET should the index continue to tumble steadily.

SET Vice President Suthichai Chitwanit told the *Bangkok Post* late last night that so far no decision had been taken to close the local market.

After being informed of the latest developments on the New York Stock Exchange Mr Suthichai said these developments would have to be studied.

Of the 77 stocks traded yesterday, 74 suffered price falls—the biggest number ever—and of these 68 dived to the 10 percent floor set by the Securities Exchange of Thailand. The number of stocks with prices down to the floor was also a new record. [Passage omitted]

Investors Told Not To Panic
BK210945 Bangkok BANGKOK POST in English
21 Oct 87 p 17

[Excerpt] Bank of Thailand governor Kamchon Sathirakun told local investors yesterday not to panic over declines in the world's stock markets as listed companies in Thailand had little or no relation with overseas firms.

However, he noted that if prices continued to fall on the local stock market, the SET [Securities Exchange of Thailand] might temporarily close the exchange.

He also said companies' third-quarter results were even better than those for the first and second quarters.

But on a more gloomy note, Mr Kamchon told reporters that if local market prices continued to fall, there might be valid reason to follow Hong Kong's example yesterday and close the market.

He said the reports of the global price plunges over the last two days might create the feeling that the local market might follow a similar path, adding that it was up to local investors to decide whether they should follow overseas trends.

He said every market had an element of speculation, but investors should consider Thailand's economic fundamentals which are faring better than elsewhere.

He said reports coming from listed companies showed operating results for the third quarter which are even better than those for the first and second quarters. He added that as these companies operated independently in Thailand, the overseas situation had little or no bearing on them.

"I would like to take this opportunity to tell investors' that whatever happens in other countries, we should consider our economic fundamentals," he said. "If the prices dip and follow overseas trends, we may suffer lost opportunities."

He said that if Thailand had followed the example of other countries, the country would not be experiencing its current economic recovery.

He re-emphasised that overseas markets might be inter-related, but the Thai exchange was independent and there was, therefore, no reason for local investors to panic similar to their peers in overseas markets.

He said the SET index had recently fallen and then gone even higher than before, while any fluctuations in the baht should only be considered as normal. [passage omitted]

Pakistan's Ziaul Haq To Arrive 21 Oct
BK210005 Bangkok THE NATION in English
21 Oct 87 p 1

[Toermsak C. Phalanuphap report]

[Text] Pakistan wants to strengthen economic ties with Thailand and upgrade their bilateral trade agreement into a joint ministerial commission, according to President Mohammad Ziaul Haq of Pakistan.

President Zia told *The Nation* in an interview at his Army House in Rawalpindi that he will propose the upgrading of the trade agreement in his talks with Prime Minister Prem Tinsulanon during his four-day state visit to Thailand.

Zia and his wife are scheduled to arrive in Bangkok at 4 pm today.

Zia noted that the growth of trade between Pakistan and Thailand "has not reached our expectations" despite the conclusion of the trade agreement and the agreement on avoidance of double taxation during Prem's visit to Pakistan in 1983.

There is a definite requirement for an increase in bilateral trade and "it can be done through finding out areas in which both sides are interested in," Zia said.

Identifying areas for more bilateral economic, trade and industrial cooperation will be one of the major objectives of his state visit, he added.

He also said he will propose the establishment of a joint ministerial commission which will provide an institutional framework for development of bilateral relations not only in trade and economic areas but also in other areas such as cultural exchange, political cooperation, and technical and scientific cooperation.

Pakistan has bilateral joint commissions with many Islamic countries. Zia reported that such a body has produced good results in Pakistan's relations with many countries.

"I will propose this idea (of forming a Thai-Pakistani joint commission) and will be pleased if the Thai Government accepts it," he said.

Zia described his impression of the bilateral relations in non-economic areas as "excellent." He pointed out that Pakistan and Thailand are facing the similar problem of providing shelter to a large number of refugees. There are more than 3.1 million Afghan refugees in Pakistan and 116,000 Indochinese refugees in Thailand, as well as 267,000 Kampuchean displaced persons at the Thai eastern border.

Zia will brief Prem on the situation on the Afghan-Pakistani border and thank Thailand for supporting Pakistan on the Afghanistan issue. He will also receive a briefing on the Kampuchean situation and visit Khao-I-Dang refugee camp in Prachinburi tomorrow afternoon.

On cultural exchange, Zia said Pakistan welcomes Thai students who want to study in his country's institutes of higher learning. He will also look into the possibility on offering scholarship to Thai Muslim students.

Asked whether the fact that Thailand is a non-Islamic country will be a hindrance in strengthening the cultural ties between Pakistan and Thailand, Zia emphasized that he does not see it as a hindrance. "No one does," he added.

He said the concept of South-South cooperation should not only be spoken of but demonstrated in concrete cooperation projects in all fields.

Zia, asked whether Pakistan will be interested in joining Thailand and other developing countries in forming an association of rice-exporting countries, said this is a "very good idea." He said he will examine this possibility and mention it in his talks with Prem.

Pakistan exports Basmati rice to the Middle East and Africa. But Pakistan, unlike Thailand, was not severely hurt by the U.S. Farm Act which has created a regime of subsidy for American rice farmers and exporters.

Zia welcomed as "a good idea" the Thai interest in forming a Thai-Pakistani joint venture for fishing in Pakistani waters. He said he will help identify prospective Pakistani investors for the joint venture if he finds during his visit that Thailand is still keen on this idea.

He will bring along a few leaders of the Pakistani private sector who will hold talks with their Thai counterparts to identify potential areas for joint investment and trade.

Agenda Details Reported

BK210004 Bangkok *BANGKOK POST* in English
21 Oct 87 p 5

[Text] Pakistani President Mohammad Ziaul Haq will arrive in Bangkok this afternoon for a four-day visit as a guest of the Government.

President Zia will be granted an audience with Their Majesties the King and Queen at about 6.00 p.m., which will be followed by a dinner with Their Majesties.

Chulalongkon University will confer an honorary doctorate degree in Liberal Arts on President Zia tomorrow morning.

Earlier Thammasat University rejected a request by the University Affairs Ministry to honour Gen Zia because of what they alleged to be his dictatorial and undemocratic policies.

The Chulalongkon University Student Union and the Student Federation of Thailand which represents 12 academic institutions on Monday submitted a protest letter to the university on its decision to confer the degree on President Zia.

The president will visit Khao-I-Dang refugee camp later tomorrow before returning to Bangkok for a dinner with representatives of the Pakistani community in Bangkok.

President Zia will hold talks with Prime Minister Prem Tinsulanon on Friday morning. He is scheduled to leave for Islamabad on Saturday afternoon. [24 October]

Army Commander on Lao Border Situation

BK210006 Bangkok *THE NATION* in English
21 Oct 87 p 5

[Text] The commander of the Third Army Region, Lt Gen Siri Thiwaphan, yesterday played down the situation on the Thai-Laotian border of Phitsanulok province, saying "there is nothing to worry about."

Only small Laotian units have stepped up patrol close to the Thai border in Chat Trakan district of the northern province, he said.

Siri said the Laotian military movement might have stemmed from misunderstanding among Lao military officers at the local level.

The commander said he did not believe that the conflict would become a critical one.

However, military sources said earlier that Thai border defence troops have clashed sporadically with Laotian soldiers since July along the mountainous border near the provincial boundary between Phitsanulok and Loei. The latest incident took place last Friday when Thai troops fought briefly with Laotian intruders about six kilometres east of Romklao village in Chat Trakan. No casualties were reported on either side.

The border situation in Phitsanulok and Loei has been deteriorating since June when Lao intruders abducted local villagers and clashed with Thai border troops.

The Laotians also claimed that Phu Soidao mountain and five villages on the left bank of the Hung river marking the Thai-Laotian border in the area belong to Laos.

However, senior Thai security officers have insisted that the area is part of Thailand.

The sources said the northern regional army has been trying to settle the problems locally to prevent escalation of the conflicts.

National Security Council (NSC) chief Suwit Sutthananukun told *The Nation* yesterday Laotian forces have "concretely" reinforced their positions along the border, following a series of clashes.

Suwit said Thailand still considers Laos as a friendly neighbour and insists that the disputes should be settled peacefully by negotiations between local officials of the two countries.

He said the NSC has encouraged local Thai officials to seek dialogue with the Laotians on the matter.

Suwit also reaffirmed that Phu Soidao and the border villages claimed by Laos are in Thai territory, in accordance with the 1907 Thai-French treaty.

He said Laos was trying to create another conflict similar to the previous one along the common border near Uttaradit province.

Thailand and Laos have been in dispute over the three villages of ban Mai, ban Klang and ban Sawang since 1984.

Meanwhile, a supreme command press release said Thai forces last week destroyed two outposts of the Laotian intruders, located about seven kilometres northeast of Romklao.

About 30 Lao soldiers were positioned in each outpost, it said, adding that the intruders were later pushed back into Laos.

The release also said Lao authorities conscripted a number of Laotian civilians to transport arms and ammunition, as well as food, to military units along the Thai-Lao border opposite Bung Kan district of Nong Khai province.

Vietnam

Text of UN Envoy Speech at General Assembly
BK200604 Hanoi NHAN DAN in Vietnamese
3 Oct 87 p 4

[“Text” of address by SRV Vice Foreign Minister Nguyen Dy Nien, head of SRV delegation to the 42d session of the UN General Assembly, at 29 September afternoon general debate]

[Text] Seventy years ago, the appearance of the first socialist state on the world political map led to the establishment of a new international relationship and an objective demand for peaceful coexistence among nations of different socio-political regimes. The world's history in the past 70 years, especially since the end of World War II, has been one of a fierce and complicated struggle for peaceful coexistence in the world. Through turbulent months and years of the Cold War and attempts in recent years to create a new Cold War atmosphere, mankind has been facing the danger of being driven to the brink of the abyss of nuclear destruction. Never before have the aspirations of the world peoples for peace and peaceful coexistence been manifested as vividly as they are now.

Peaceful coexistence constitutes an objective rule of our era. Nevertheless, in the present world of interdependence and under the impact of the technological and scientific revolution, there have been countless major and urgent problems that no individual country could solve by itself. As a consequence, in the process of achieving peaceful existence among nations of different socio-political regimes, the trend toward dialogue instead of confrontation and cooperation instead of hostility have become inevitable for the era. We are witnessing a new, encouraging development of the world situation in the direction of dialogue and peaceful coexistence. The well-known initiatives of Comrade Gorbachev, secretary general of the CPSU Central committee, constitute an important motive behind the process of facilitating detente, reducing the risk of nuclear war, and consolidating peace and security in the world. The recent Soviet-U.S. agreements on totally eliminating intermediate-range missiles and on the third summit meeting between General Secretary Gorbachev and U.S. President Reagan this fall are important steps toward reducing the threat of a nuclear holocaust and ameliorating the international political atmosphere. The meeting between GDR Chairman Honecker and FRG Chancellor Helmut Kohl has created a new change in the process of building relations on the basis of dialogue, understanding, and

cooperation between the two Germanies in accordance with the spirit of the 1975 Helsinki Convention which was reaffirmed at the 1986 Stockholm conference.

Although the above mentioned encouraging signs of the process of dialogue and easing of tension aimed at achieving peaceful coexistence have made the panoramic picture of the world situation clearer, tension-causing factors still exist. That the most bellicose forces, reluctantly parting with their past which has been negated by history, are intensifying the arms race, especially the nuclear arms race on earth as well as in space, in a bid to regain their lost military superiority is a challenge to mankind at present. In the face of these highly dangerous schemes and acts of adventure, continuing to act in a resolute manner for the defense of peace and for the achievement of peaceful coexistence still remains the most urgent demand of all nations. Never before have we witnessed such a widespread mass movement struggling for world peace. The nonaligned movement, loyal to its lofty goals, has become an important component in this struggle. Also never before have the initiatives in response to the hard realities of the space-nuclear era to reflect a high sense of responsibility for the fate of mankind, received so quickly the most widespread sympathy and support of the world community. I would like to mention the Harare appeal of the 8th Nonaligned Summit, the appeal by the top leaders of the countries or governments of India, Sweden, Greece, Tanzania, Mexico, and Argentina; the New Delhi declaration on the principles of a world free of nuclear weapons and without violence in international relations; the general program put forth on 15 January 1986 to eliminate nuclear weapons and other mass killing weapons before mankind enters the 21st Century, and the subsequent initiatives aimed at turning this program into reality such as the initiative for an overall international security system put forward at the 41st UN General Assembly, the 28 July 1986 Vladivostok statement by the general secretary of security in Asia and the Pacific, the proposal for signing an agreement on non-use of force and threatening to use force among countries in Asia and the Pacific, and other proposals for establishing nuclear-free zones in Africa, the Mediterranean, Northern Europe, Southern Pacific, Southeast Asia, and the Korean peninsula.

It is mainly the relentless efforts of the forces of peace which exert a decisive influence on the atmosphere of dialogue and detente in the world. The current situation calls for new efforts by the international community to consolidate and promote the results achieved on the long way to a stable peace on this planet.

Peace is indispensable for development. Conversely, so long as poverty and backwardness still exist on earth, it is difficult to avoid instability. The world economy, especially the economy of the developing countries, is facing extremely great problems. The gap between the rich and the poor is widening every day. The per capita

income of developed countries is 12 times that of developing countries. The debt of developing countries has now exceeded U.S.\$1,000 billion. The prices of basic products have decreased to the lowest level ever in 50 years. Deficits in the balance of payments are very serious. Many developing countries are on the brink of economic collapse. In a world of interdependence, the economic collapse of some countries will affect considerably the entire world economic system. Faced with such a situation, the priorities in this 42d session must be based on the principle of ensuring the long-range objectives which are to reorganize the economic relations, advance toward the establishment of a new international economic order and an international economic security system, and, at the same time, reflect the major concerns of the era and the pressing and burning issues of the immediate future such as debts, currency and finance, and trade. This requires the most unified and resolute action of the world community, especially the developed countries.

While the trend toward dialogue and detente are easing the horrible threat of a nuclear holocaust, in various parts of the world the efforts of nations to mobilize forces for resolving problems facing each country and entire regions through dialogue is facing great obstacles. Those forces which regard this or that part of the world as their "backyard" or "their area of vital interest" are intensifying aid to their henchmen along with such activities as economic embargoes and political isolation in order to oppose and sabotage the struggle to regain or defend independence waged by various nations and to threaten peace and stability in various regions.

In South Africa, protected by some imperialist and reactionary forces, the agonizing apartheid regime stubbornly continues to bloodily suppress the struggles of the South African people led by ANC [African National Congress] and of the Namibia people led by SWAPO [South-West African People's Organization]. At the same time, it has staged acts of aggression, causing instability against the neighboring countries, especially Angola and Mozambique. More than ever before, the international community should give the most resolute and strongest support to the struggles of the South African and Namibian peoples and the peoples of other frontline countries to promptly wipe out apartheid, a stain of mankind civilization.

In Central America, overcoming untold difficulties and ordeals caused by fierce enemy opposition and sabotage, the Republic of Cuba, the first revolutionary state in Western hemisphere, has scored many victories in all domains. The revolution in Nicaragua and El Salvador still remains imposingly firm and has constantly grown stronger. The great efforts of Nicaragua, Contadora and the Lima support group have created an important step of progress in the process of peace in the region along with the signing of a document "on the process of

establishing a stable and lasting peace in Central America". This is an important document that manifests the earnest aspiration for peace of the peoples in regional countries and the common trend of the current world situation.

The situation in the Middle East remains continually tense because of the Israeli policy of aggression and expansion. We condemn this policy and strongly support the just struggle of the peoples of Palestine and other Arab countries to achieve their fundamental national rights and to recover the occupied Arab territories. To promptly attain a complete and correct solution to the regional situation, an international conference on the Middle East should be convened soon with the participation of all parties involved on an equal basis, to include also the PLO, the Palestine people's genuine representative.

The Iran-Iraq war has prolonged for many years now, causing heavy losses to both countries. We assert our desire to promptly put an end to this war between the two nonaligned countries through peaceful negotiation, and support all international efforts to help these two countries reach a just political solution based on the respect for each other's legitimate interests, thus contributing to defending peace and stability in the region and the world. We express our concern over the fact that some imperialist forces have taken advantage of the situation to intensify their military presence in the Gulf, further straining regional situation and making it more explosive. This should be put to an immediate end.

With the defeat of the undeclared war against the Afghan people and with the relentless efforts of the Afghan Government to implement its national reconciliation policy and to seek a political solution to the problems of Afghanistan, the situation in Afghanistan is undergoing important changes. We fully support the efforts of the Democratic Republic of Afghanistan to conduct public dialogues throughout the country in order to achieve national reconciliation in the country. We support the Soviet-Afghan agreement on the withdrawal of Soviet troops from Afghanistan within the framework of a political solution to the situation around Afghanistan on the basis of ending all interference in the Afghan people's internal affairs, and of respecting the independence and sovereignty of the country. We condemn all hostile acts that oppose this process.

Vietnam supports the constructive, fair, and reasonable initiatives of the DPRK to peacefully and independently unify Korea, especially the initiatives to reduce the existing armed forces and to conduct the high-level political and military talks between North and South Korea.

We highly appraise the Indian-Sri Lankan agreement to resolve the problem of the Tamil people in Sri Lanka, and welcome Indian contributions to peace and development in the region and the world.

In this forum, once again we assert the Vietnamese people's strong support for the struggle for peace and freedom of the Puerto Rican people and the peoples of other small territories; the Western Sahara people's struggle for their right to self-determination; and the Cypriot people's struggle to defend the independence, sovereignty, unification, and territorial integrity of their country. We support the initiatives to convene an international conference under UN auspices to seek a political solution to the Cypriot problem.

The Vietnamese people profoundly sympathize with and support the struggle for the right to live in independence and freedom of the New Caledonian people under the leadership of the Kanak front. The recent referendum, conducted under the conditions well known to everyone, has interfered with the implementation of this sacred right.

Over the past 40 years, while the world has enjoyed its longest period of peace in this century, Southeast Asia has been the site of many of the biggest, fiercest, and longest wars. Although these wars are now over, Southeast Asia has yet to see peace and stability. Therefore, ending the confrontation, resolving various problems through peaceful negotiations, and building good neighborly relations without outside interference constitute an urgent demand and a vital interest of the peoples of various nations in the region.

Finding a political solution to the Cambodian issue and building a peaceful, stable, and cooperative Southeast Asia are an important objective in Vietnam's foreign policy. Together with the PRK and the LPDR, Vietnam has put forward many goodwill proposals aimed at finding at an early date a fair and reasonable political solution to the Cambodian issue on the basis of the independence, sovereignty, and national reconciliation of the Cambodian people. This is to ensure that the country of the glorious Angkor civilization will never return to the horrifying years and months of the genocidal Pol Pot regime and to create a framework for lasting peace and stability in Southeast Asia. Vietnam has affirmed: As on the two previous occasions when Vietnam sent its army volunteers to help the Cambodian people in their struggle against colonialism and imperialism for the independence and freedom of each country, this time the total withdrawal of Vietnam Army volunteers from Cambodia will be completed by 1990. It is regrettable that our peaceful and goodwill efforts have yet to meet a response. Resolving the Cambodian issue without linking it with the resolution of a greater problem—peace and stability in Southeast Asia—will fail to basically resolve even a single aspect of the problem. The history of the three Indochinese peoples' struggle shows that the peace of the three Indochinese peoples is inseparable from the problem of peace and stability in Southeast Asia. During the 40 years of Indochinese wars, there were three international conferences to end these wars, namely the 1954 Geneva conference on Indochina, the 1962 conference on Laos, and the 1973 Paris conference

on Vietnam. But following each international conference that brought an end to one war, another war quickly began. This is because these international conferences could only resolve the wars without being able to establish a framework for peaceful coexistence in Southeast Asia. Therefore, in order to achieve a lasting and durable peace in the region, the resolution of the Cambodian issue must be linked with efforts to resolve the problem of peace and stability in Southeast Asia. Merely wanting to impose the stand of one side on the other is unfair and unrealistic. Now there are two contradictory stands and two contradictory attitudes over the Cambodian problem and over peace and stability in Southeast Asia. The other side's stand is to demand that Vietnam withdraw its troops from Cambodia while the Indochinese countries' stand is to demand the elimination of the genocidal Pol Pot clique. With the rapid growth of the PRK, the three Indochinese countries have declared that the withdrawal of Vietnamese troops will be completed by 1990 in the event there is no political solution to the Cambodian issue. Successively since 1982, Vietnam has unilaterally conducted an annual withdrawal of some of its Vietnamese Army volunteers from Cambodia. Very soon this year an important troop withdrawal drive will also be conducted; it will be witnessed for the first time by foreign observers. The PRK Government has issued a statement on its national reconciliation policy, saying that it is ready to meet with the Khmer factions of the other side and with the leaders of these factions—except for the criminal Pol Pot and his close associates—to discuss national reconciliation on the basis of perpetually preventing a recurrence of genocide and joining with the entire people in defending and building the country in peace and stability. This is a fundamental and long-term policy aimed at uniting all Cambodians to build an independent, peaceful, and nonaligned Cambodia friendly to neighboring countries. Meanwhile, the other side adamantly demands that Vietnam withdraw its troops and accept the 8-point proposal which is, in fact, aimed at bringing the genocidal Pol Pot regime—which is hiding under the label of the "Coalition Government of Democratic Kampuchea"—back to Cambodia. A fair solution must show a respect for the stands of both sides. All those initiatives which are advantageous to only one side while opposing the other will obstruct efforts to reach a peaceful solution to the Cambodian issue and achieve peace and stability in Southeast Asia.

It can be said that now initial rays of hope have just begun to appear. Agreements reached between representatives of the three Indochinese countries and those of the ASEAN states have opened up possibilities for resolving the Cambodian issue and achieving peace and stability in Southeast Asia on the basis of equality and respect for the interests of all parties concerned, without any preconditions attached. This is an opportunity that should not be overlooked if a fair and reasonable solution to the Southeast Asian-Cambodian issue in conformity with the seventh (New Delhi) summit's correct resolution on Southeast Asia, which was reiterated at the Nonaligned Movement's Harare summit, as well as with

the general trend of the international and regional situations. That is why these agreements have quickly won the acclaim of a broad section of public opinion. The PRK has declared that it is ready to enter negotiations with opposing Cambodian parties. It has also declared that Mr Sihanouk's 18 September 1987 statement on a meeting between opposing Cambodian factions is compatible not only with the PRK policy of national reconciliation but also with the 29 July 1987 agreement between Vietnam and Indonesia.

Vietnam and other Indochinese countries affirm that the agreement between Vietnam and Indonesia is one reached between the two groupings of countries, Indochina and ASEAN, in search of a political solution to the Cambodian issue and to Southeast Asian peace. Therefore, there should be no differing explanations serving the personal requirements of anyone, and this must be respected and observed by both parties concerned if confidence is to be created for future agreements. It is regrettable that at present some forces inside and outside the region are seeking to limit the significance and blocking the implementation of what has been agreed upon between Vietnam and Indonesia, preventing dialogue to find a political solution and thus running counter to the legitimate aspirations of the Cambodian people and other peoples in the region.

We would like to avail ourselves of this opportunity to express our sincere gratitude to various countries, organizations, and individuals for having contributed to the process of creating a new situation in Southeast Asia in favor of dialogue in the region, and to call on various countries, organizations, and individuals to continue to do their utmost to push for a dialogue truly aimed at searching for a political solution to the Cambodian issue and to Southeast Asian peace and stability.

We highly value the great personal efforts of the UN Secretary General in pushing for a dialogue between the two groupings of countries in the region in the search for a political solution to the Cambodian issue and other Southeast Asian problems, and we hope that Mr Secretary General will further his efforts in this direction.

Concerning the search for a political solution to the Cambodian issue and to peace and stability in Southeast Asia, the relations of friendship and cooperation between the SRV and the PRC will play a very important role. The Vietnamese people highly treasure their traditional friendship with the Chinese people. The two peoples used to unite and support each other in their respective revolutionary endeavors for national independence and socialism. The aspirations of both peoples as well as the long-term interests of both nations do not conflict. Moved by the desire to restore normal relations with China, Vietnam has, on numerous occasions, stated its readiness to negotiate with the latter at any level, at any time, and at any place to resolve various problems in relations between the two countries and issues of mutual

concern, thus meeting the interests of peace, friendship, and cooperation of the two peoples and the peoples of other countries in Southeast Asia as well as in Asia and the Pacific.

The United States has an important role to play in bringing about peace and stability in Southeast Asia. The Vietnamese people are prepared to begin a new chapter of history and to create favorable conditions for developing the relations of friendship and cooperation between the two peoples. The recent visit to Vietnam of General John Vessey, special envoy of President Reagan, together with all the understandings reached, have created an atmosphere conducive to the solution of humanitarian concerns of both the Vietnamese and U.S. sides.

History poses mankind with a heavy responsibility: The creation of a solid basis for the growth of peace, friendship, and cooperation among all nations on this planet for the remaining years of the 20th century and for the early years of the 21st century. To perform this lofty responsibility there is no alternative but to hold dialogues with goodwill and sincere cooperation. It is to be hoped that this spirit of solving international and regional problems, including in the Southeast Asian region, will also apply at our 42d UN General Assembly session.

U.S. Attack on Iranian Platforms Criticized
BK211116 Hanoi International Service in English
1000 GMT 21 Oct 87

[Text] According to foreign sources, U.S. naval forces stationed in the Persian Gulf has destroyed two Iranian oil platforms in the Gulf. This is another U.S. armed provocation and military adventure in that part of the world. This move has shed more light on the nature of the Reagan administration as the one responsible for tension in the Gulf. Of late, under the pretext of protecting free navigation and sweeping mines, the Pentagon has increased U.S. military presence in the Gulf also involving the dispatch of warships from member countries of the North Atlantic Treaty Organization [NATO]. By now, about 70 ships of the United States and NATO are operating in the Gulf.

The recent U.S. attack on Iranian oil platforms conducted under the pretext of retaliation has aggravated tension in that region. What is serious is the fact that President Ronald Reagan has bluntly declared that the U.S. attack was based on the legal use of force. U.S. Secretary of State George Shultz has visited Kuwait, Egypt, and Saudi Arabia to discuss military measures against Iran. For its part, Iran has pledged a crushing response to the U.S. move.

In this connection, the Hanoi daily *Nhan Dan* commented: It goes without saying that far from preventing the continued war between Iran and Iraq as the White House has often clamored, U.S. intervention in the Persian Gulf is only aimed at defending their oil interests and

pushing back the struggle of regional countries for national independence and sovereignty. In such a situation—the paper goes on—to meet the Soviet Union's judicious proposal has become all the more pressing. All warships, aircraft, and other war materials of countries outside the region should withdraw immediately from the Gulf. Iran and Iraq should put an end to their war and enter into negotiations to search for a fair and reasonable solution to all outstanding issues related to the two countries; and the United Nations forces should be sent to the Gulf to ensure free traffic in international maritime zones.

Leaders Greet Cuba on Treaty Anniversary
OW181552 Hanoi VNA in English 1508 GMT
18 Oct 87

[Text] Hanoi VNA Oct. 18—Vietnamese party and state leaders today extended warmest greetings to their Cuban counterparts on the 5th anniversary of the Vietnam-Cuba Treaty of Friendship and Cooperation.

The congratulatory message jointly signed by Nguyen Vam Linh, general secretary of the Communist Party of Vietnam Central Committee; Vo Chi Cong, president of the State Council; Pham Hung, chairman of the Council of Ministers; is addressed to Fidel Castro Ruz, first secretary of the Communist Party of Cuba Central Committee, president of the State Council and of the Council of Ministers.

It says :

"The signing of the historic document marked a new stage of allround development of friendship and cooperation between Vietnam and Cuba. We note with satisfaction that in the past five years of implementing the treaty, the militant solidarity and fraternal cooperation between our two countries on the basis of Marxism-Leninism and socialist internationalism has been constantly strengthened and developed in all fields, political, economic and cultural, thus contributing to the great victories recorded by the two countries in their socialist construction and national defence."

After highlighting the Cuban people's all-sided achievements over the past years, the message wishes the Cuban people under the C.P.C. leadership success in the implementation of the 3rd C.P.C. Congress's resolution.

The message says :

"The government and people of Vietnam avail themselves of this opportunity to express their deep thanks to the party, government and people of Cuba for their valuable and effective assistance to the Vietnamese people's revolutionary cause. They pledge to do their best to make the militant solidarity, friendship and cooperation between Vietnam and Cuba further consolidate and develop."

Cooperation Reviewed

*OW190901 Hanoi VNA in English 0700 GMT
19 Oct 87*

[Text] Hanoi VNA Oct. 19—October 19 this year is the 5th anniversary of the Vietnam-Cuba Treaty of Friendship and Cooperation. Over the past five years, through meeting with many big difficulties, the two countries have constantly strengthened their economic, scientific and technical and trade cooperation.

Many cooperation projects in transport and communications, marine products, public health, education, tourism and construction have yielded practical results.

By instruction from President Fidel Castro, Cuba has loaned Vietnam credits to build or expand sugar cane processing factories in the southern part of the country each capable of processing 1,000 tons of sugar-cane per day. Cuba has helped Vietnam build a telecommunication system from Hanoi to Ho Chi Minh City including 282 telephone channels, 172 telegraph channels, a radio channel and a television channel.

With Cuba's assistance in breeds, Vietnam has built up a herd of base cows and a high-yield breed of hen.

Vietnam is exporting to Cuba agricultural, forestry, industrial and mineral products and importing sugar, cultural articles and stockbreeding equipment.

On the international arena, the two countries have constantly coordinated in the struggle for peace, independence, cooperation and development.

The achievements in its comprehensive cooperation with Cuba as well as with the Soviet Union and other fraternal socialist countries have positively helped Vietnam overcome step by step the economic difficulties and build the material and technical basis of socialism in the country.

Days of Mongolian Culture Conclude 19 Oct

*OW191530 Hanoi VNA in English 1506 GMT
19 Oct 87*

[Text] Hanoi VNA October 19—The Days of Mongolian Culture in Vietnam closed in Ho Chi Minh City this evening after week-long run.

Present at the closing ceremony of the Vietnamese side were Tran Van Phac, member of the Communist Party of Vietnam Central Committee and minister of culture; Phan Van Khai, member of the party Central Committee and chairman of the Ho Chi Minh City People's Committee; and Nong Quoc Chan, deputy minister of culture and head of the organizing committee of the Days of Mongolian Culture in Vietnam.

Mongolia was represented by Budyn Sunyaa, member of the Mongolian People's Revolutionary Party Central Committee and minister of culture and head of the Mongolian Government delegation to Vietnam for the Days of Mongolian Culture.

Speaking on the occasion, Minister Tran Van Phac valued highly the performances of the Mongolian artists whole artistic skills, he said, has won the admiration of Vietnamese audiences.

Minister Budyn Sunyaa thanked the Vietnamese party, government and people for having created favourable conditions for the successful holding of the Days of Mongolian Culture in Vietnam. He said that the time-honoured Mongolian-Vietnamese friendship would certainly become closer not only in the field of culture and art but in all other fields as well.

On behalf of the Vietnamese Government, Minister Tran Van Phac presented 69 "cultural fighter" medals, the highest distinction for Vietnamese cultural workers, to members of the Mongolian Government delegation and art troupes.

Pham Hung Holds Session in Ho Chi Minh City

*BK201427 Hanoi Domestic Service in Vietnamese
1100 GMT 19 Oct 87*

[Text] On 18 October, Comrade Pham Hung, member of the party Central Committee Political Bureau and chairman of the Council of Ministers, held a working session with the standing bodies of the Ho Chi Minh City party and people's committees and the comrades city party committee secretary and city people's committee chairman. Also present at the working session were the comrade minister of finance and the comrade representative of the Bank of Vietnam director general.

After hearing a report on the city's implementation of the party Central Committee's third plenum resolution, Comrade Chairman of the Council of Ministers Pham Hung pointed to the strong points and great potential of the city in the fields of industry—including the centrally run industry and artisan and handicrafts industries—and stressed: It is necessary to renovate the mechanism of economic management to release production forces and exploit the city's strong points. Intensive investments must be made in establishments producing consumer goods and goods for export, with attention given primarily to those capable of bringing about early returns. Along with consolidating and developing state-run economic establishments, efforts must be made to promote various artisan and handicrafts branches, including family-run concerns, and consolidate and strengthen the socialist trade service so as to create a national economic structure for developing the role of Ho Chi Minh City as a large economic center of the region and broadening economic relations with the two fraternal countries of Laos and Cambodia.

Efforts to step up the building of material and technical bases for production development, he said, must be closely linked to the task of transforming and perfecting socialist production relations in industry and trade so as to ensure that both state-run and other economic components will develop vigorously in the correct direction as envisaged in the various resolutions and policies of the party and state. All state-run economic establishments must broaden integration and joint ventures with other economic components and help reorganize production so as to create ample wealth for society, transform the city's economy along the socialist path, and contribute to restoring order in the distribution and circulation of goods and stabilizing the people's life.

Along with increasing industrial and artisan and handicrafts production, he added, Ho Chi Minh City should continue to build its grain and food belt in the suburbs and exploit its labor and land potential so as to be able to meet a considerable part of its demand for agricultural products.

Talking about public order and security, the comrade Council of Ministers chairman urged the city to maintain vigilance and launch a mass movement to safeguard the fatherland's security, with the public security and armed forces serving as the backbone, to prevent and counter sabotage activities by the enemy, and at the same time, to strictly punish speculators and smugglers, hooligans, and thugs in order to safeguard socialist property and protect the people's peaceful life.

In reviewing efforts to carry out pressing policies and measures in the field of distribution and circulation, the comrade chairman suggested many ideas for the various sectors at the central level and in the city to act upon so as to continue successful implementation of the party Central Committee's second plenum resolution and the Political Bureau's conclusions.

Editorial Views Meeting Demands of Masses

*BK201519 Hanoi Domestic Service in Vietnamese
2300 GMT 16 Oct 87*

[NHAN DAN 17 October editorial: "Meeting the People"]

[Text] Fully understanding the concept of considering the people as the root and respecting the laboring people's right of mastery, all sectors, echelons, and organs have, since the sixth party congress, especially ever since the launching of a strong anti-negativism movement by Comrade N.V.L. through his feature "Things That Must be Done Immediately," paid due attention to meeting the people and listening to their comments, considering this to be one of their work assignments and one way to renovate their guidance and leadership.

The Hanoi municipal party committee, the Ho Chi Minh City party committee, the standing committees of provincial party committees and district party committees,

various ministries, committees, popularly-elected organs, and administrations at all levels, especially, organs of the internal affairs, have made arrangements to meet the people. Key leading cadres of many organs have devoted time to seeing the people and listening to their comments, seeing these meetings as an opportunity for them to gather valuable information from the lower levels and thereby, reviewing the policies and work performance of the organs and units under their charge and clearly understanding the aspirations of the masses. This way, they can make the right decisions.

Realities have shown that many of the people's denunciations have been dealt with in a very sensible and reasonable way during these meetings. Many innocent people who had thought that justice would never be done had their cases thoroughly settled by various sectors, echelons, and organs during these meetings.

Unlike those organs and units that have made proper arrangements to meet the people, many party committee echelons, administrations, and organs still fail to pay due attention to this task as proven by a lack of meeting places, regular reception schedules, and availability of competent, zealous, and qualified cadres to meet the people. Some organs have met the people just for form's sake and failed to achieve concrete results. There have been cases of cadres not willing to meet the people for fear that those meetings would take up much of their time or would put them in a situation in which they would not know how to react to the people's questions and suggestions. The internal affairs sector has much to do with these meetings with the people. Therefore, many people have turned to it. Nonetheless, many organs of the sector have failed to make proper meeting arrangements. Many leading cadres have not worked out appointment schedules. Worse still, some of them have sought ways to have somebody else go and meet the people in their place, thus weakening the people's confidence.

If we want to create conditions for the people to know, discuss, implement, and supervise, we must make proper arrangements to meet them and listen to their suggestions. This is a manifestation of our respect for the people's right of mastery and our willingness to create conditions for everyone to take part in state management. The motivation drive to purify the party organizations and the state machinery and enhance their militant strength and to promote healthier social relations makes it even more necessary to have the participation of the vast majority of the masses. Meeting the people constitutes an important and necessary measure aimed at organizing and motivating the masses to actively respond to this major movement.

Therefore, as an immediate objective, it is necessary for all sectors and echelons from the central down to the grassroots levels to make better arrangements to meet the people. Experience has shown that for those meetings

with the people to bear fruit, any solutions to the problems raised must be based on the interests of the people and the party and state.

Our people show deep patriotism and love for socialism. They have confidence in the party, are eager to contribute constructive suggestions, and wish that their comments end up in the hands of open-minded people. Violations of the right of mastery and unfair treatment have aroused feelings of dissatisfaction among the people, who, faced with the wrongdoings of a number of degenerate and deviant party members, have turned to our party and state organs in an attempt to raise their voice. It is necessary for all organs, echelons, and sectors to adopt a serious and fair attitude toward them. They should treat them with respect, satisfactorily handle their demands and suggestions, and properly receive their correct comments. At the same time, they must help clarify incorrect or unclear issues. Those in charge of meeting the people should be mild, objective, fair, and straightforward. They should also view with severity those who take advantage of our democratic principles to make false statements and disturb the situation.

Properly solving matters when they first break out at the grassroots levels and satisfactorily settling contradictions within the people's ranks constitute the premises for making proper arrangements to meet the people and give us an opportunity to motivate and make the masses better observe the law and state regulations. It is necessary for all party committee echelons and administrations to assign competent, capable, and qualified cadres to meet the people. It is necessary to see to it that, far from being a waste of time and an annoyance for the people, each meeting turns out to be really useful and brings about concrete results for the work performance of all organs and units involved.

By meeting the people and listening to and satisfactorily meeting their legitimate demands, we can rally the vast majority of the people in the revolutionary undertaking.

Party Committee Disciplines Wrongdoers

*BK210413 Hanoi Domestic Service in Vietnamese
1100 GMT 19 Oct 87*

[Text] The Dong Thap Provincial Party Committee just took severe disciplinary action against two of its provincial party committee members. They were Nguyen Tan Khanh, vice chairman of the Dong Thap Provincial People's Committee, and Pham Thanh Son, director of

the Dong Thap Provincial Trade Bureau. Both of them have violated party and state policies concerning commodity management and distribution.

In the past, while serving as a provincial party committee member and director of the Trade Bureau, Comrade Nguyen Tan Khanh failed to display a good act of duty by allowing the provincial general merchandise corporation to do business with private dealers in a way contrary to the regulation set forth by the provincial trade service. As a result, a number of private dealers made illegal profits by taking advantage of the state's capital, facilities, and name. Comrade Nguyen Tan Khanh allowed the corporation to distribute a large quantity of commodities of great value among its members, including himself, thus causing damage to socialist property and creating a bad impression among broad sections of public opinion.

In the meantime, while serving as assistant director of the provincial Trade Bureau and concurrently head of the provincial General Merchandise Corporation, Comrade Pham Thanh Son failed to strictly implement the regulations of the provincial trade service concerning business ventures with private dealers. As a result, by taking advantage of the state's capital, facilities, and name, a number of private dealers gained illegal profits, bought off cadres, and caused damage to state budget. Comrade Pham Thanh Son allowed the corporation to distribute commodities among its members, including himself, in such a way that this led to disunity and created a bad impression within the trade sector and among broad sections of public opinion.

As disciplinary action against Comrades Nguyen Tan Khanh and Pham Thanh Son, the Executive Committee of the Dong Thap Provincial Party Committee has decided to forfeit their membership to the Dong Thap Provincial Party Committee and has forwarded this decision to the party Central Committee Secretariat for approval. At the same time, the committee has recommended that they be dismissed from their positions as vice chairman of the Dong Thap Provincial People's Committee and director of the Trade Bureau and that their functions as delegates to the Dong Thap Provincial People's Council be suspended.

Those commodities that have been distributed at variance with state regulations shall be handled by an investigating committee to be appointed by the Standing Committee of the provincial people's committee.

Australia

Share Markets Reopen, Economy 'Sound'

*BK210250 Melbourne Overseas Service in English
0030 GMT 21 Oct 87*

[Excerpts] Australian share markets opened a short time ago in the wake of yesterday's massive plunge in prices. Share market experts say the overnight rise on the New York stock market has given the Australian market a breathing space. The Australian market indicator, the All Ordinaries Index, yesterday closed at 1549 points, a drop of more than 500 points. [Passage omitted]

The prime minister, Mr Hawke, says Australians should not panic over the share market crash. Mr Hawke said the fundamentals of the Australian economy were sound and he would not be cutting short his world tour to return to Australia. Speaking to reporters in the Irish capital of Dublin, Mr Hawke said that what had happened was international and not a reflection of Australian economic conditions. The prime minister added there was a tendency for share markets to overreact.

Trade Unions Ban All Flights to Fiji

*BK201702 Hong Kong AFP in English 1639 GMT
20 Oct 87*

[Text] Melbourne, Australia, Oct 20 (AFP)—Australian trade unions decided Tuesday to ban all international flights between Australia and Fiji from November 1, further isolating the troubled Pacific nation.

The bans would apply to Qantas, which operates three flights a week to Nadi, Canadian Pacific and Fiji's national carrier Air Pacific, Australian Council of Trade Unions (ACTU) President Simon Crean said after a meeting here of about 20 airline unions.

Australian maritime unions imposed a shipping ban on Fiji earlier this month.

Mr. Crean said the unions had allowed a two-week period of grace to allow tourists to leave Fiji and the ACTU would hold talks with Qantas on exemptions from the ban for people wishing to leave Fiji and for Fijian nationals wishing to return home from Australia.

He said the bans were being imposed because of the military regime's persecution of trade unionists in Fiji.

They would be lifted when union offices in Fiji were allowed to reopen and when the regime stopped "persuading union officials who are in hiding and in fear of their lives," he said.

Government Opposes Ban

*BK210905 Melbourne Overseas Service in English
0830 GMT 21 Oct 87*

[Text] The Australian Government is to continue to oppose bans the country's trade unions have imposed on flights to Fiji. The Union ban is to take effect a week from next Sunday over the alleged denial of trade union rights by Fiji's military-backed administration.

However, the Australian foreign affairs minister, Mr Hayden, told Parliament in Canberra he would continue to make very strong representations to the trade union movement to withdraw the sanctions.

The president of the Australian Council of Trade Unions, Mr Crean, has said the bans on flights are not aimed at ruining Fiji's economy, and the union movement is allowing certain exemptions to people needing to leave or enter Fiji.

Travel Advisory Lifted

*BK210220 Melbourne Overseas Service in English
0030 GMT 21 Oct 87*

[Excerpt] The federal government has lifted its advice to Australian travelers not to visit Fiji unless necessary. The Foreign Affairs Department issued an advisory after the second coup on 25 September that nonessential journeys to Fiji should be deferred. However, a foreign affairs spokesman in Canberra says travelers in Australia are now being notified of the change (?in effect). The decision came a day after airline unions in Australia decided to ban flights between Fiji and Australia from the start of next month. [passage omitted]

BRIEFS

Indonesian Envoy Presents Credentials

The new Indonesian ambassador to Australia, Rusman, when presenting his credentials to the Australian Governor-General's representative, Sir James Rowland, in Canberra, expressed President Suharto's hope for better relations between the two countries especially in economy, education, and culture. Sir James Rowland said he is impressed with Indonesia's progress especially in economy and suggested that frequent open dialogues be held in an effort to achieve deeper understanding between the two nations. [Summary] *[Jakarta Domestic Service in Indonesian 1200 GMT 16 Oct 87 BK]*

Customs Seize Drugs

Customs officers at Sydney Airport have sniffed out illegal shipments of heroin and hashish in separate seizures. A customs official, Mr Ian Taylor, says in one case, 300 gms of heroin was found impregnated in a towel and scarf carried by a Lebanese citizen. Mr Taylor says a customs officer found the drug after detecting a vinegary smell. In two other drug seizures, a Sydney

customs sniffer dog discovered 9 kg of hashish in an airport luggage from Sri Lanka. At the same time, police in the Northern Territory have arrested four men after raiding a property near Catherine and seizing cannabis plants worth nearly \$10 million. [Summary] *[Melbourne Overseas Service in English 0430 GMT 19 Oct 87 BK]*

Wheat Export Figures Released

Australia's second largest annual export of wheat has been completed. Figures released by the Australian Wheat Board showed that during the 12 months ending 30 September, 15.6 million tons of wheat were shipped to 47 countries. The export, 400,000 tons short of the previous year's 16 million ton record, was worth nearly \$2,000 million [Australian dollars] in export revenue. The board said this is (?short) by \$1,000 million from last year because of depressed world prices caused by the export subsidies of the United States and European Economic Community. It says China received the largest shipment, more than 3.7 million tons, while Iran and Egypt received more than 2 million tons each. Other major (?buyers) included the Soviet Union, Iraq, and Japan. The general manager of the Australian Wheat Board, Mr (Ron Pacey), says the export level for this year could not have been achieved without the cooperation of many organizations and trade unions involved in the marketing chain. However, Mr (Pacey) says it will probably be some time yet before similar sales were achieved again because depressed prices have forced Australian wheat farmers to reduce planting to the lowest level for the past 10 years. [Text] *[Melbourne Overseas Service in English 0430 GMT 19 Oct 87 BK]*

Wheat Aid to Ethiopia

Australia is to give 15,000 tonnes of wheat to Ethiopia. The shipment, worth \$4.5 million [currency not further specified], is to help make up a serious shortfall in Ethiopia's harvest caused by drought and locusts. Australia will also provide \$900,000 to cover the cost of international transport and distribution of the wheat. [Text] *[Melbourne Overseas Service in English 0830 GMT 21 Oct 87 BK]*

Fiji

Police Report Two Courthouse Explosions

BK210344 Hong Kong AFP in English 0335 GMT 21 Oct 87

[Text] Suva, Oct 21 (AFP)—Two explosions damaged the court house in the northern sugar town of Ba Tuesday night but no one was injured, police said here Wednesday.

The incident followed a series of blasts in Nadi and the capital since Fiji's first military coup last May.

A car bomb in Suva left one dead and two injured while five people were injured by a parcel bomb at Nadi police station.

New Zealand

USSR Interest in Pacific Island Project

BK211155 Wellington THE EVENING POST in English 15 Oct 87 p 6

[Text] Yaren, (Nauru), Oct 14.—The Soviet Union may expand its Pacific activities to Nauru, sources said here today.

The sources said the Soviets were interested in becoming involved in the multi-million dollar rehabilitation of Nauru land devastated by nearly 80 years of phosphate mining.

A commission established by the central Pacific island government early this year has been holding hearings in Nauru, Australia and New Zealand into responsibility for the damaged land, how it could be rehabilitated and who should pay.

Nauru believes Britain, Australia and New Zealand, which mined the phosphate through the British Phosphate Commission from 1920 to 1968, should contribute.

According to sources, the Soviet Union may take advantage of the reluctance of the three countries to become involved in the massive project, which takes up about four-fifths of Nauru's 24 square kilometres.

The Soviet interest was in providing technical expertise and in negotiating a contract for some of the rehabilitation work, the sources said. The Soviets' need for hard Western currency would make the prospect of working with the Nauruans appealing.

Nauru has a rehabilitation fund of more than \$A180 million (\$NZ196 million) based on sales of phosphate since it bought out the commission after winning independence in 1968.

The phosphate is expected to be mined out by 1995.

Nauru Finance Minister Kinza Clodumar told AAP *[Australian Associated Press]* today he was unaware of any Soviet approach, but that it would not be unwelcome.

"We would be glad to hear of anybody expressing an interest," he said.

Editorial on Hawke Remarks on Trade, Defense
BK211055 Auckland THE NEW ZEALAND HERALD
in English 15 Oct 87 p 8

[Editorial: "Mr Hawke Trades On Defence"]

[Text] Not for the first time, the Australian Prime Minister has stirred a trade pot with the Reagan Administration. Should it boil over, it could have grave implications for New Zealand. While the Lange Government has been at pains to divorce matters of defence from those of trade, Mr Hawke has bluntly linked the two.

America's subsidised wheat sales to the Soviet Union were severely criticised at the ANZUS meeting in August last year at which Australia and the United States forged

a new bilateral defence relationship. And, under Australian pressure, the final communique included reference to the importance of trade to a country's ability to provide defence co-operation.

That theme has been maintained by the Hawke Government as concern mounts that protectionist measures by the United States and special trade deals with Japan could seriously undermine Australian exports. There is also speculation about further cut-price grain sales to the Soviet Union.

Last month Mr Hawke said that if Americans thought defence relationships would be unaffected by unfair trade policies, they would have to think again. This week he repeated the warnings. "We do not want to feel that we are seen as first-class allies but second-class friends," said Mr Hawke. New Zealand will hope that the row does not cause a reassessment of the trade position of second-class allies.

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